

The Commercial & Financial Chronicle

INCLUDING

Bank & Quotation Section
Railway Earnings Section

Railway & Industrial Section
Bankers' Convention Section

Electric Railway Section
State and City Section

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CLEARING-HOUSE RETURNS.

The following table, made up by telegraph, &c., indicates that the total bank clearings of all clearing houses of the United States for week ending Dec. 2 have been \$2,909,601,094, against \$3,201,920,205 last week and \$3,412,348,964 the corresponding week last year. This year's figures cover only five days on account of the Thanksgiving holiday.

Clearings—Returns by Telegraph. Week ending December 2.	1911.	1910.	Per Cent.
New York	\$1,363,346,072	\$1,629,821,826	-16.3
Boston	115,588,567	138,561,628	-16.6
Philadelphia	112,597,805	137,240,326	-17.9
Baltimore	26,166,356	28,923,400	-9.9
Chicago	196,053,903	249,751,608	-21.5
St. Louis	54,600,994	68,809,063	-20.7
New Orleans	16,042,898	22,316,681	-28.1
Seven cities, 5 days	\$1,884,396,595	\$2,275,424,532	-17.2
Other cities, 5 days	423,787,216	515,278,941	-17.8
Total all cities, 5 days	\$2,308,183,811	\$2,790,703,473	-17.3
All cities, 1 day	601,417,283	621,645,491	-3.2
Total all cities for week	\$2,909,601,094	\$3,412,348,964	-14.7

The full details for the week covered by the above will be given next Saturday. We cannot furnish them to-day, clearings being made up by the clearing houses at noon on Saturday, and hence in the above the last day of the week has to be in all cases estimated, as we go to press Friday night.

We present below detailed figures for the week ending with Saturday, noon, Nov. 25 for four years.

Clearings at—	1911.	1910.	Inc. or Dec.	1909.	1908.
New York	\$1,819,279,401	\$1,547,838,251	+17.6	\$1,879,491,105	\$1,689,119,221
Philadelphia	148,314,952	130,869,828	+13.3	129,776,388	117,879,256
Pittsburgh	50,772,588	44,297,340	+14.6	47,233,486	36,309,347
Baltimore	38,584,986	28,696,291	+34.5	28,577,092	23,305,741
Buffalo	10,806,466	8,726,215	+23.8	8,873,329	7,146,078
Albany	6,439,848	5,296,120	+21.6	5,430,947	5,800,936
Washington	6,956,083	6,373,144	+9.1	6,580,543	5,119,278
Rochester	4,153,584	3,123,147	+33.0	3,206,330	2,638,281
Seranton	2,486,293	2,429,055	+2.3	2,215,929	2,329,507
Syracuse	2,199,435	1,864,362	+17.9	2,028,176	1,503,875
Reading	1,728,923	1,449,609	+19.2	1,590,824	1,217,213
Wilmington	1,267,795	1,318,473	-3.9	1,116,810	1,074,259
Wilkes-Barre	1,454,664	1,228,643	+18.4	1,224,707	1,141,705
Wheeling	1,800,508	1,469,184	+22.5	1,451,875	1,311,002
Trenton	1,726,403	1,491,370	+15.8	1,305,615	405,403
York	912,143	807,688	+12.9	802,474	711,259
Elie	871,047	715,217	+21.8	665,951	565,172
Greensburg	495,930	342,973	+44.6	396,402	380,414
Chester	491,273	520,015	-5.6	427,064	425,207
Binghamton	493,500	557,500	-11.5	321,500	336,500
Altoona	494,266	404,776	+22.2	420,500	372,577
Lancaster	848,529	809,851	+4.8		
Total Middle	2,102,578,617	1,790,629,052	+17.4	2,124,607,547	1,900,092,231
Boston	166,210,640	135,073,301	+23.1	144,870,738	138,494,251
Providence	7,156,100	7,606,900	-5.9	7,905,600	6,971,400
Hartford	4,500,000	3,449,270	+30.5	3,489,211	2,947,586
New Haven	2,756,140	2,164,229	+27.4	2,147,031	2,009,803
Springfield	2,145,177	1,759,211	+21.9	2,000,000	1,609,067
Portland	2,071,438	1,877,066	+10.3	1,622,329	1,791,072
Worcester	2,125,888	2,150,710	-1.1	1,482,811	1,901,694
Fall River	1,303,468	1,333,123	-2.2	1,119,022	1,172,161
New Bedford	976,636	987,574	-1.1	1,133,637	822,403
Lowell	529,763	499,142	+6.3	409,060	372,094
Holyoke	600,000	509,470	+17.8	495,859	392,599
Total New Eng.	190,375,250	157,409,996	+20.9	165,205,398	158,484,130

Note.—For Canadian clearings see "Commercial and Miscellaneous News."

Clearings at—	Week ending November 25.				
	1911.	1910.	Inc. or Dec.	1909.	1908.
	\$	\$	%	\$	\$
Chicago	274,215,111	229,096,794	+19.7	238,247,643	219,133,190
Cincinnati	24,894,300	22,317,600	+11.5	23,279,250	23,736,550
Cleveland	18,923,531	16,240,066	+16.5	15,074,675	12,147,022
Detroit	19,614,496	16,304,759	+20.3	14,050,000	11,238,572
Milwaukee	13,034,691	10,959,778	+18.9	11,119,869	9,946,250
Indianapolis	8,886,606	8,407,958	+5.7	7,186,292	6,700,778
Columbus	5,596,400	5,284,200	+5.9	5,367,000	4,690,200
Toledo	4,084,188	3,658,662	+11.6	3,138,812	2,809,407
Peoria	3,825,655	3,193,353	+19.8	2,616,546	2,757,833
Grand Rapids	2,974,594	2,234,351	+33.1	2,010,664	1,748,066
Dayton	2,053,816	1,651,481	+24.3	1,484,090	1,280,221
Evansville	2,571,387	1,972,000	+30.4	1,775,580	1,689,123
Kalamazoo	697,533	537,582	+29.8	591,373	470,938
Springfield, Ill.	926,398	758,529	+22.1	751,615	805,000
Fort Wayne	912,589	815,436	+11.9	804,385	710,622
Akron	1,417,000	803,000	+76.5	797,700	515,000
Lexington	869,320	845,893	+2.8	838,966	614,177
Youngstown	1,025,605	782,428	+31.1	715,665	978,964
Rockford	860,562	886,811	-3.0	743,691	627,428
Canton	1,116,529	915,812	+21.9	670,000	527,055
Quincy	638,962	533,115	+19.9	485,077	392,424
Springfield, O.	406,335	487,515	-16.6	423,342	338,662
South Bend	521,959	421,131	+23.9	350,559	336,510
Bloomington	620,453	542,607	+14.4	429,240	358,756
Mansfield	398,161	326,399	+22.0	302,512	244,844
Decatur	330,383	356,607	-7.3	324,537	311,458
Jackson	500,000	334,881	+49.9	258,500	235,000
Saginaw	687,746	499,815	+37.6	498,877	
Danville	449,908	376,205	+19.9	449,244	257,769
Lima	327,433	280,325	+16.8	277,005	224,327
Lansing	381,072	410,214	-7.1		
Jacksonville, Ill.	255,015	192,846	+32.2	271,382	193,665
Ann Arbor	147,273	131,264	+12.2	117,709	113,229
Adrian	43,346	36,274	+19.7	26,946	16,547
Owensboro	497,761	366,263	+35.9	330,000	
Tot. Mid. West.	394,706,118	332,595,691	+18.7	335,828,746	306,149,593
San Francisco	53,513,393	42,340,016	+24.0	36,651,290	33,960,154
Los Angeles	19,475,055	15,328,820	+27.1	12,841,325	9,986,736
Seattle	9,862,449	9,645,427	+2.3	11,683,410	7,942,486
Portland	11,439,756	9,552,375	+18.5	7,110,331	4,927,052
Spokane	4,303,803	4,314,550	-0.3	4,091,346	3,085,424
Salt Lake City	9,190,717	6,944,115	+32.3	6,926,391	6,196,052
Tacoma	4,389,506	3,713,405	+18.2	5,304,729	3,989,130
Oakland	3,269,434	2,684,401	+21.8	1,939,196	1,189,092
Sacramento	1,864,092	1,481,154	+25.8	1,062,725	804,030
Fresno	1,262,126	781,376	+61.6	619,762	499,091
Stockton	1,150,692	633,193	+81.1	498,226	646,349
Pasadena	817,329	611,801	+33.7	500,000	
San Jose	865,530	461,861	+87.5	528,307	415,296
North Yakima	419,272	497,618	-15.7	354,956	269,550
Reno	300,000	229,932	+30.5	220,638	
Total Pacific	122,123,154	99,320,044	+23.0	90,332,632	72,810,442
Kansas City	52,585,136	45,989,356	+14.3	44,365,691	37,291,432
Minneapolis	25,841,885	21,636,880	+19.4	24,430,433	21,754,302
Omaha	13,590,121	13,623,576	-0.3	13,129,101	11,391,624
St. Paul	13,123,990	10,367,864	+26.6	13,337,118	9,531,967
Denver	11,058,826	9,606,267	+15.1	10,073,352	8,487,955
Duluth	6,330,036	4,324,243	+46.6	5,595,121	
St. Joseph	6,916,939	5,395,162	+28.2	5,038,025	3,972,040
Des Moines	3,789,218	3,132,782	+21.0	2,941,214	2,319,322
Sioux City	2,344,506	2,273,732	+3.1	2,501,254	2,218,623
Wichita	3,364,475	2,969,011	+13.3	2,437,992	1,446,163
Topeka	1,549,862	1,404,177	+10.3	1,215,542	977,306
Lincoln	1,443,428	1,275,711	+13.2	1,243,609	894,745
Davenport	1,463,543	1,462,236	+0.1	1,262,215	790,467
Cedar Rapids	1,075,900	1,200,000	-10.3	1,104,322	660,311
Fargo	883,613	675,708	+30.8	930,609	735,825
Colorado Springs	630,178	602,547	+4.6	629,343	572,909
Pueblo	1,055,263	748,496	+41.0	842,464	557,213
Fremont	276,724	204,411	+35.4	217,862	259,238
Hastings	164,517	160,783	+2.3		
Aberdeen	343,076	395,032	-13.2	400,000	
Waterloo	1,013,943	899,244	+12.7		
Helena	1,011,251	946,291	+6.9	851,843	1,130,757
Billings	350,000	153,444	+128.1	328,941	236,124
Tot. other West	150,206,430	129,446,953	+16.0	132,876,051	105,127,323
St. Louis	80,805,209	68,626,967	+17.7	60,221,838	53,426,177
New Orleans	24,342,277	22,085,938	+10.2	19,541,985	18,163,971
Louisville	12,633,095	11,657,933	+8.4	1,986,715	10,104,618
Houston	19,906,629	13,294,063	+49.7	12,800,000	13,668,547
Galveston	12,434,500	8,029,000	+54.9	7,435,000	7,335,000
Memphis	11,167,857	9,851,965	+13.4	6,319,942	6,999,028
Fort Worth	9,500,000	7,759,854	+22.4	7,799,253	6,091,573
Richmond	7,863,679	5,934,041	+32.5	7,154,626	6,074,853
Atlanta	16,809,617	12,042,897	+39.6	10,327,105	5,151,428
Savannah	7,367,403	7,061,694	+4.3	3,939,342	4,217,133
Nashville	4,627,685	3,409,137	+35.7	2,298,403	2,409,476
Norfolk	3,957,876	3,217,231	+23.0	2,730,424	2,380,776
Birmingham	2,806,003	2,748,925	+2.1	2,334,136	2,168,124
Augusta	2,981,565	2,576,568	+15.7	2,554,801	1,952,784
Jacksonville	3,100,000	2,291,898	+35.3	1,641,226	1,326,286
Knoxville	1,800,000	1,600,000	+12.5	1,562,821	1,287,302
Little Rock	2,496,374	2,317,549	+7.7	1,768,553	1,692,232
Chattanooga	2,399,188	1,804,089	+33.0	1,309,894	1,206,548
Charleston	2,538,447	2,253,642	+12.6	1,666,388	1,732,182
Mobile	1,524,147	1,464,490	+4.1	1,315,783	1,283,619
Oklahoma	2,375,594	2,300,000	+32.9	1,923,139	1,234,258
Macon	4,996,948	1,200,000	+316.3	950,000	755,927
Austin	1,800,000	1,370,296	+31.4	865,251	629,828
Wilmington, N. C.	866,036	789,712	+9.8	490,767	450,000
Vicksburg	391,293	479,809	-18.4	380,873	480,474
Jackson	439,214	375,000	+17.1	429,000	375,000
Muskogee	843,287	Not included	In total		
Tulsa	567,273	Not included	In total		
Total Southern	241,930,636	196,542,698	+23.1	171,747,265	152,597,324
Total all	3,201,920,205	2,705,944,464	+18.3	3,021,597,639	2,695,262,043
Outside N. Y.	1,382,640,804	1,158,106,183	+19.4	1,141,106,534	1,006,142,822

OUR CONVENTION NUMBER.

With to-day's issue of our paper we send to our subscribers our "Bankers' Convention" Section, reporting the proceedings of the Convention of the American Bankers' Association held at New Orleans last week. This Convention number gives all the papers and addresses read and delivered before the Convention, and also the proceedings and discussions on the floor, including the deliberations of the Trust Company Section and the Savings Bank Section.

THE FINANCIAL SITUATION.

Our "Bankers' Convention" Supplement or Section, reporting the proceedings of last week's Annual Convention of the American Bankers' Association, which accompanies to-day's issue of our paper, is an unusually bulky periodical. Its interest and value are in proportion to its bulk, and we refer to it here, at the opening of this article, on that account. The proceedings of the Convention were given up almost entirely to a discussion and consideration of the Aldrich plan for the reorganization of the country's banking and currency system. The daily papers in their reports of the proceedings confined themselves mainly to giving larger or smaller extracts from the addresses delivered before the assembled bankers. We print all the papers and addresses in full, and, besides, furnish a transcript of the debates and discussions on the floor of the Convention.

No one who is interested in the subject of banking and currency reform—and who is not so interested, either as student or man of affairs?—can afford to rest satisfied without a study of these speeches and addresses. From the summaries in the daily papers the reader may have got an idea of what the addresses were about, but to understand what they actually contain, and to profit by the knowledge therein, it is necessary that they should be read at length, and the arguments and reasoning advanced be pondered and digested. Such a weighty symposium of papers on a subject of pressing public importance has seldom been brought together at any gathering of this kind. Fourteen different speakers addressed the bankers and discussed every phase and aspect of the great question. Forty-six pages of our Convention Supplement are required to record the addresses of these fourteen speakers, and they will be found printed on pages 117 to 162 of the Supplement.

And what an array of talent and what a manifestation of high endeavor is portrayed in these notable dissertations! Except in one instance, the addresses were not mere impromptu affairs, but carefully prepared studies of the particular phase of the subject discussed. The galaxy of names represented is such as should in itself command instant attention for the discussions. Senator Aldrich himself spoke at length; and Assistant Secretary of the Treasury A. Piatt Andrew, who has been Mr. Aldrich's right-hand man during the whole of the period since the National Monetary Commission was created by Act of Congress in 1908, likewise read an instructive paper, dealing with a phase of the subject of prime importance. Then Paul M. Warburg, in whose fertile brain many of the ideas embodied in the Aldrich plan were conceived, was also numbered among the speakers. Besides these, the list comprises such names as Jas. B. Forgan and Geo. M. Reynolds, both eminent Chicago bankers; President J. G. Shurman of Cornell University, and several others of prominence—all especially competent to

handle the particular phase of the subject assigned to them for elucidation and analysis. We feel that we are performing a public service in reporting these discussions thus at length. And in printing them in a form convenient for present use as well as for future reference, we think we are contributing to that campaign of education and enlightenment of the masses which now seems to be finding such general favor on the part of the business community and of political and economic students.

One feature of this whole subject of banking and currency reform which furnishes occasion for much felicitation is that every one of any great prominence in affairs, whether in politics or in finance or in business, seems determined to keep partisanship wholly out of the discussions. As far as our knowledge goes, no attempt has been made up to this time to obtain party advantage out of the matter. It is highly creditable to our men of affairs everywhere that it seems to be generally recognized that the subject is one above and beyond machinations of petty party politics—that it is of such large and controlling importance, affecting the welfare of the entire population, that it would be most reprehensible to deal with it in a partisan way or to thwart or hinder the movement on the idea that some political point might thereby be gained. One of the addresses—that by L. P. Padgett—was devoted to the subject of the importance of keeping politics out of the discussions and deliberations. Mr. Padgett is a member of the National Monetary Commission, and his theme was "Keeping the National Reserve Association Apart from Partisan Politics and Special Control." What he had to say on this point was so pertinent and appealing that we feel it incumbent to quote below two specially effective paragraphs as follows:

"We must build up and we must have in this country a public sentiment which will demand that it shall be free from political, local and special control. When the Commission was abroad three years ago studying and investigating this subject, I found among Englishmen a respect and a reverence for the Bank of England second only to the respect and reverence for the Crown. They looked upon it as a great institution, designed and existing for the protection of the industries and the institutions of their land and the preservation of the solvency of their people. And they would no more attack the Bank of England than they would attack the Crown of England. And we found in France and in Germany a similar spirit among the people. My friends, may we not cherish the hope, may we not harbor in our innermost souls the expectation that there will be an institution in this country that shall command the respect, the confidence and the love of the American people, to which they shall look as a shelter in times of financial storm?

"In conclusion, my friends, I want to say that now is the time and this is the opportunity for wise statesmanship and noble patriotism. May we not rise above petty jealousies? Can we not stand on a plane higher than sectional disputes? Can we not appeal to the intelligence, the integrity and the patriotism of the American people? May we not call forth the love of country, those high and noble principles that underlie the movements and the conduct of the American people, and beseech them to place those principles first in the consideration of this great question?"

Mr. George F. Edmunds, the venerable ex-Senator from Vermont, contributes to the December number of the "North American Review" an article on the origin and purpose of the Sherman Act. This article de-

rives an additional timeliness because of his relation to that Act. A prefatory sketch sets forth in detail how Senator John Sherman, in accordance with a plank in the Republican campaign platform of 1888, did introduce a bill, early in December of 1889, but that all except the enacting clause was subsequently stricken out and that the Act as it stands was a substitute, of which Mr. Edmunds was mainly the author. This introductory sketch is valuable historically, but for the present purpose we are more concerned with Mr. Edmunds' statement of the intention of Congress, although we should add that the sketch also explains that his article was prepared for publication some months ago, and "consequently bears no relation to recent happenings."

With counsel coming into the public prints, not merely from doctrinaires, but from some men of prominence in large business, that the scope of Government control over trade may and should be still further extended, all under the overworked commerce clause of the Constitution, it may be useful to point out that this clause was meant by the framers to apply to the States rather than to the central power; that is, to be negative rather than positive. The situation of the colonies and the comments of contemporary public men in the "Federalist" show that the intent was to prevent setting up of vexatious barriers by the jealous States against trade when it sought to cross boundary lines. Mr. Edmunds confirms this view by remarking that "commercial war already existed between several of the States * * * and the great, fundamental design and principle was to make the trade of the people of each State with the people of every other State free and equal, as much so as if, for these purposes, the whole United States were a single sovereignty." With all the actual and suggested stretching of the word "regulate," we may well recall the clear fact, that the original aim was to limit powers of the States rather than to enlarge powers of the United State.

After all discussion in committee and in open session, says Mr. Edmunds, it was agreed that "the safest and surest way was to denounce disturbance of it [commerce] in the simplest and all-embracing terms, without qualification or exception." He thus explains the language adopted, adding that the Senate Judiciary Committee, after long consideration, agreed upon this:

"That it was quite impracticable to include by specific descriptions all the acts which would come within the meaning and purposes of the words 'restraint' and 'commerce' or 'trust,' or the words 'restrain' or 'monopolize,' by precise and all-inclusive definitions; and that these were truly matters for judicial consideration."

Mr. Edmunds draws a distinction between what might be called restraint of trade and restraint of trading. He supposes a community where two persons are operating gristmills which the supply of grain allows to run only on half-time, so that the owners must either pay unduly low wages, or charge excessive prices for grinding, or else fail. So they agree to let one mill do all the grinding while the other one goes to sawing lumber, thus benefitting everybody concerned. This is not "restraint of trade." Common sense and public policy say it is the reverse, "and that it helps business, labor and the public." From the illustration supposed, he immediately draws this deduction:

"And so of trade and so-called monopoly, if the party concerned can show (and it is for him to show)

that his contract or act promotes and benefits trade and is consistent with the general and equal welfare of the whole people, and thus recognized by the public policy stated in an earlier part of this article, it is not any restraint of trade or the creation or the attempt to create the monopoly prohibited by the Act. It is the contracting or conspiring and the monopoly that are vicious, and not the subjects of them, as the recent decisions of the Supreme Court indicated."

Mr. Edmunds seems mildly to deprecate the slowness of the Government in getting at its determining and prosecuting, thus permitting and even encouraging bad combinations to be made.

As to the expectations held in 1890, Mr. Edmunds says the Judiciary Committee "believed that the well-known principles guiding the courts in the application and construction of statutes would lead them to give the words of the Act a beneficial and remedial meaning, rather than an injurious and technical one, hurtful to any honest trade, as well as out of harmony with the beneficent spirit and policy of the whole Act." The largest present interest in Mr. Edmunds' article, it seems to us, is his testimony that the recent decisions of the Supreme Court (to which he does refer, notwithstanding his article was mainly prepared earlier,) agree with the intent of Congress in 1890. In his opinion, both the Act and these interpretations of it by the "rule of reason" are consistent and beneficent. Of the future he says:

"The fear that some literal interpretation of the words 'restraint of trade' in the Act might lead to the sacrifice of some just, fair and wholesome business arrangements may be safely dismissed, for if the principle and purpose of the Constitution and Act have any foundation at all, there can be no such restraint, because such conduct is not restraining but is promotive of and beneficial to the public interest."

He does not indicate belief that any amending or supplementing is needed, but hopes for its more complete enforcement, including its penal provisions as well. Affairs will adjust themselves to this, he thinks, so that large business need not feel hampered, that capital and labor can agree, and that such nostrums as referendum and recall are not required.

Abroad, the progress of events in connection with the various international controversies upon which financial and business attention is at the moment focussed, has not been without substantial promise of early improvement. The eagerly-awaited speech of Sir Edward Grey, the British Foreign Secretary, on Monday amply justified the expectation that the Asquith Government would be able to demonstrate that the calm dignity, the decisiveness and keenness so traditional of the British Foreign Office are not in process of decline. Developments in China, too, seem to be assuming a position more compatible with responsible, though not necessarily less radical, solution of the fundamental principle at issue. Events in the Orient may, of course, change overnight; but at this writing the trend clearly suggests that the Manchu dynasty will, perhaps merely in name, be saved. But, whatever the final outcome, the dominant fact will remain, i. e., the great Chinese Empire will be found to have taken a long stride toward the universal democracy that is so clearly the tendency to-day in the march of nations.

Italy's self-imposed task of reclaiming—by acquiring—Tripoli is showing direct evidence that success is yet in the future; the formal notice of Russia's in-

sistence upon the neutrality of the Dardanelles as provided in the Treaty of London in 1871 suggests a warning to Italy that her antagonist is not without friends. In Persia it is evident that conditions are not yet quite ripe for a straightforward, aggressive, businesslike conduct of fiscal affairs such as was attempted by W. Morgan Shuster, the young American who, at Persia's request, President Taft recommended to undertake the reform of the Persian Treasury. The President, however, has wisely concluded that his recommendation in this respect carried with it no obligation for this country to become involved in Persia's unfortunate international complications. No developments have taken place this week to suggest that the agreement between France and Germany is not on a reasonably permanent basis. In settlements of this kind governments are always subjected to criticism and abuse by the "Opposition" in their own land; criticism is exaggerated and sensational and unfounded reports are circulated suggesting conditions entirely at variance with those actually existing. An instance was the recent report that the Kaiser's son had been subjected by his father to a month's detention for boisterous antagonism in the Reichstag to the basis of settlement as outlined by the Imperial Chancellor. This report proved to have been without foundation and may perhaps be considered a fair index of the tendency to exaggerate.

Sir Edward Grey's speech in the British House of Commons was made before a noteworthy audience, including not only members of the British Parliament but ambassadors and other diplomatic representatives of foreign governments, all of whom fully appreciated the momentous importance of the declaration of the British Government's policy as a factor in the world's political situation. Sir Edward's speech lasted an hour and a half; it was from first to last a frank explanation of what had happened in connection with the Moroccan controversy and of why it had happened. That the security markets of the world had last summer, as is usual in such cases, accurately appraised the existing conditions, is evidenced by Sir Edward's frank admission that the position in July and August was one of grave tension. The British Foreign Minister did not attempt oratory, and careful reading of his address finds not a single word that we on this side so frequently denominate "Jingoism"; nevertheless, he had found it "necessary to inform the German Ambassador that the tone of his communication with regard to Mr. Lloyd-George's speech made it inconsistent with Great Britain's dignity to explain publicly the speech." Subsequently the German communications showed an "improved tone."

It is not now material which country erred the more in violation of diplomatic courtesy or usage at the time the strained negotiations were in progress. The point of particular importance made by Sir Edward was that Great Britain had no secret obligations to France or "any other Power"; thus may be seen a declaration of independent foreign policy. At the same time the statement was plainly made that any policy of isolation would be a disastrous one; Great Britain could not allow it to be understood that under no circumstances would she give her friends assistance if they were attacked. "That would deprive her of all friends in Europe, and she soon would be building warships against the rest of the navies. . . . Let us make new friendships, by all means," continued the Foreign Secretary, "but not at the expense of those we

have. I desire to improve our relations with Germany and intend to maintain our friendships unimpaired. The German Imperial Chancellor recently made two speeches which were inspired by the hope of seeing his country strong but not aggressive. If that is the spirit of German policy, then within two or three years the talk of a great European war will have gone."

Sir Edward argued that the effect of the Moroccan settlement must be to relax tension and to remove a great obstacle from the path of European progress. For years the question of Morocco has been a discomfort to diplomatists. "It has been settled without breaking the peace of Europe, and the part His Majesty's Government has taken has contributed materially to that result."

A rather good test of the character of a speech—whether it is a successful and convincing one or the reverse—is the effect upon its antagonists. Under the latter classification may be mentioned the anti-Government leaders at home and the German Government as the foreign country most intimately concerned. In both these instances the test was satisfactory. Andrew Bonar Law, the new leader of the Unionist Party in the House of Commons, strongly supported Sir Edward Grey, who, he said, had convinced him that every step taken was with sole regard for British interests.

It may or may not be significant that on the same day of the Foreign Secretary's speech, the announcement came from Berlin that the German cruiser *Berlin* and gunboat *Eber* has been recalled from Agadir. The *Berlin* replaced the *Panther* at Agadir, the *Panther*, it will be recalled, having been the immediate cause of the Moroccan crisis when, last July, it was dispatched by the German Government to the port named. Official circles in Germany, according to press dispatches from Berlin, cordially echoed the conciliatory tone of the speech of the British Foreign Secretary as well as that of Premier Asquith, who so thoroughly supported him. "The Government," said Mr. Asquith, "does not desire to stand in the light of any Power which wants its place in the sun." In German official circles—again quoting press dispatches—it is significantly intimated that the British Government will soon have an opportunity to demonstrate the sincerity of its Ministers' disclaimer of the "theory that one of the aims of British policy is to stand in the way of German expansion and to block its every project." While the nature of this test is not disclosed, the suggestion is made that the attitude that Great Britain will take toward the completion of the Bagdad railway in Asiatic Turkey will afford Great Britain an opportunity to demonstrate the honesty of its protestation of friendship. Emperor William, it is announced, has asked Dr. Arthur von Gwinner, Managing Director of the Deutsche Bank, which is financially interested in the railway, to prepare a report and submit it to him after his return to Berlin on Dec. 12. During the coming week Imperial Chancellor von Bethmann-Hollweg and Foreign Secretary von Kiderlen-Wachter will reply in the Reichstag to Sir Edward Grey's speech.

It is hardly to be expected that the Anglo-German recriminations will immediately be laid at rest. The "Pall Mall Gazette" (London) rather inopportunistically revives a report that a British naval loan of £30,000,000 is soon to be announced. It is not unnatural that a corresponding report should emanate from Berlin that Germany, too, will strengthen her navy. This report states that the Government is determined to spend 350,000,000 marks "on the augmentation of its

fleet, which will spread over six years. Official circles maintain silence." The German elections are approaching and the subject is one so completely filled with campaign material that the advantages are not apt to be overlooked by the smaller classes of politicians. There can be no question, however, but that the larger political atmosphere has been cleared, and that the firmness displayed throughout the Moroccan affair, happily without incurring actual hostilities, will exercise a restraining influence of a worldwide character during the next few years over the natural desire by the countries of Continental Europe for territory to permit necessary expansion.

It is evident that the strictest form of censorship is being exercised in connection with the Italian operations against the Arabs and other Turkish subjects who are attempting to block the invaders of Tripoli. The press accounts contain very little that will permit anything like an accurate idea of whatever progress Italy may really have made. It is apparent, however, that she is encountering exceptionally strong opposition. But the really important development in connection with the war is Russia's formal notice to France and other Powers that she insists upon the neutrality of the Dardanelles, as provided in the Treaty of London in 1871. This notification immediately followed the report that Italy intended to force the war by blockading the Dardanelles. The Treaty of London is a reiteration of the Treaty of Paris of 1856 and of the Treaty of London of 1841, which provided that the Turkish Straits should be closed to the warships of all Powers. The parties of the second part (His Majesty the Sultan being the party of the first part) to this treaty are Great Britain, Russia, Austria, France and Prussia. Russia's notification is suggestive, therefore, that Italy's effective warfare, unless some means be found to override the treaty, must be in the vicinity of the present seat of war. Thus far there are no definite reports of negotiations by which Italy may secure outside aid in financing her war. An explanation emanates from Berlin (but whose authenticity we have been unable to confirm) of the reason Italy so suddenly attacked Tripoli. This explanation is that the German Kaiser had undertaken to give Turkey financial assistance to reorganize her army, and in return was to receive a lien upon the Tripolitan customs as part security. This was regarded by Italy as a move on the part of the Kaiser to peacefully secure Tripoli as a recompense for losing Morocco; thus Italy made haste to frustrate the Kaiser's plan and establish her own claims. This statement we give with reserve as a matter that would be of unusual interest if true.

Sir Edward Grey in his speech on Monday touched on another matter that is the subject of international interest. This is the so-called Shuster crisis in Persia. Sir Edward explained the purpose of the Anglo-Russian agreement, which he said was designed to prevent the two nations from trying to gain advantage over each other in Persia. When the Nationalists got rid of the Shah, he explained, they also hoped to get rid of Russian influence, but this "was perfectly hopeless; had they shown a friendly attitude toward Russia, things would have gone well." He trusted that a solution would be found, but it was essential that the Persian Government should realize the impossibility of employing officials openly hostile to

Russia or of "putting the hands of the clock back" where Russian interests were concerned. Since Sir Edward's explanation, Russia has made formal demand upon Persia for the instant dismissal of W. Morgan Shuster, the American Treasurer-General of Persia, whose administration of the financial department is responsible for the present complication. Russia also demanded, under threat of further military pressure, indemnity for the expenses incurred in sending Russian troops to Persia. The Persian National Council in reply formally rejected these demands and the Persian Foreign Minister resigned. The situation at this writing is, therefore, practically delicate.

It is announced from St. Petersburg that the American Government has notified Russia that it does not intend to interfere in support of Mr. Shuster. It may be of interest to recall that the latter, in connection with four other young Americans, were at the request of Persia recommended by President Taft and our Secretary of State, Mr. Knox, as men fitted to take hold and reorganize the finances of Persia. Mr. Shuster is 34 years old and was appointed Treasurer-General. The others are F. S. Cairns, who was made Director of Taxation; Charles I. McCaskey, Inspector of Provincial Revenue; Ralph W. Hills, Chief of the Accounting and Auditing Systems, and Bruce C. Dickey, Inspector of Taxation. Mr. Shuster, without fear or favor, undertook his work in an attempt to give a thoroughly honest business administration. He had had similar experience in Cuba for his own Government, where his work attracted such favorable attention that he was sent by the War Department to the Philippines in 1901, where he began as Collector of Customs and was of great assistance to Taft when the latter was Governor-General. In his work in Persia Mr. Shuster has attempted to fight Russia by means of publicity, and has given especial offense in a long letter to the London "Times," in which he gave in severe detail certain alleged acts committed by Russia, with Great Britain's consent, which in the case of a stronger country than Persia would, he said, be "acts of war." He charged, among other things, that there was "a deliberate agreement between a number of foreign legations, headed by the Russian Legation," to defeat his execution of the law which conferred upon him plenary powers in matters fiscal. Whether Mr. Shuster has acted without calm judgment would require a thorough examination of his entire course to determine. But it is quite certain that his characteristic energy has been too much for the older order of things in Persia, and Russia, with the acquiescence of Great Britain, has demanded his removal from office.

News from China of the progress of the revolution leaves much to be desired in the way of detail. The Imperial troops seem at last to be securing a number of important successes, the revolutionists for instance, having been defeated with heavy loss at Nanking after entering the city. Han-yang, another important centre, which was among the earliest capture by the rebels, has also been regained and the revolutionists at Hankow have requested an armistice in which an attempt will be made to secure the consent of other Provinces to the acceptance of the Imperial Government's terms, which include the preservation of the Manchu Dynasty. Cables from Peking state that the merchants "are overjoyed at the prospect of a resumption of business and a re-establishment of order, with the removal of the terrible menace to the lives of foreigners in the interior of the country."

There are two features in connection with the Chinese uprising that seem to merit surprise. One is the question of where has each side been able to secure the "sinews of war"; second, is the remarkable protection that, under the circumstances, has been afforded foreigners and the orderly conduct of the "revolution" as a whole. In the first instance, it is, of course, a fact that the commissary department in the Chinese army is a much cheaper matter than is the case in the more modern countries; rice is the staple food, and other expenditures are low in proportion. But the explanation of the second feature is not so apparent. Holders of Chinese bonds are showing remarkable confidence that, whichever way the revolution terminates, their principal and their interest both will be found secure. Apparently the revolutionary party includes responsible interests of China, and, if so, the end whether it be compromise or complete victory, will be the creation of a desirable condition in which the people of China will have a representative government.

The National Assembly at Peking on Thursday approved the Franco-Belgian loan of \$30,000,000 which has been negotiated by the Japanese Baron Cottu. It also approved the contract in conjunction with the loan for a bridge across the Yang-Tse River between Hankow and Wu-Chang. The latest report is that Yuan Shi-Kai, the Premier, is seeking to become Regent, if not Emperor; but that is one of those rumors concerning which it is perfectly legitimate to be skeptical.

Foreign discount rates have not been materially affected by the monthly settlements, and there may be a brief period of weakness prior to the necessary preparations for the very extensive demands of Jan. 1. London has had to provide for an issue, on Monday next, of \$17,500,000 Treasury bills, an unusually large block. The Stock Exchange settlement was arranged on slightly higher terms than ruled a fortnight earlier; the contango on Americans was $4\frac{3}{4}\%$, while regular Stock Exchange loans were made at $4\frac{1}{4}\%$. Discounts were cabled yesterday at $3\frac{3}{4}\%$ for sixty days and $3\frac{5}{8}\%$ for ninety days. Paris quotes $3\frac{1}{4}\%$ for all classes and maturities. Berlin charges $4\frac{3}{4}\%$ for sixty and $4\frac{5}{8}\%$ for ninety-day bills. Amsterdam's terms are $3\frac{7}{8}\%$, while Brussels quotes 4% .

The Bank of England, having received all the new gold available on Monday, was able to report on Thursday an increase in bullion, our special correspondent advises us, of £488,028. This brings the institution's supply up to £37,357,243, a very comfortable figure at the opening of the final month of the year. Circulation increased sufficiently to reduce the gain in total reserve to £257,000. Loans decreased £69,000, despite an increase in ordinary deposits of £932,000; public deposits fell off £690,000, thus partly correcting the difference disclosed a week ago. Since the figures were compiled, there have been purchases of moderate amounts of gold for the account of the Bank. Our special correspondent furnishes the following details of the movement into and out of the Bank for the Bank week: Imports, £689,000, wholly bought in the open market; exports, £166,000 (of which £100,000 to France, £50,000 to Gibraltar and £16,000 to Java), and shipments of £35,000 *net* to the interior of Great Britain.

The most spectacular incident in the local money market this week has been a rise in call loans on Wednesday and Friday to 6%, a figure paralleled only once during 1911—on the second business day of

the year. Just what significance to attach to this development is not easily determined. The most obvious deduction would be that, inasmuch as a return to normal rates within a few days is probable, no great attention need be aroused, for in itself a charge of 6% for call loans for a day or two at the end of a month is not a serious matter. But, taking a less superficial view, does the unexpected firmness at a time when demands are so light not suggest that, should any broad inquiry for accommodation develop, the apparent ease would quickly disappear? We have remarked before now that money brokers have all along claimed that the much-discussed superabundance of money was not so real as generally imagined. They have explained that, were orders for any large amounts to be received, the rate would undoubtedly go up before the transactions could be completed. Realizing that there was nothing in sight calculated to cause extensive absorption of funds, bankers, it was pointed out, had lent every available dollar, leaving little leeway for contingencies. This argument has been strengthened to some extent by the comparatively light surplus reserve reported by the Clearing-House institutions during the last few weeks—the returns of last Saturday showed a surplus for all institutions of \$8,972,300, of which only \$20,300 stood at the credit of the trust company members. Those who have been emphasizing this phase of the underlying conditions contend that the sharp advance in call loans, on so little provocation, portends much stiffer rates for money before the year is out; some even hint at a possibility of genuine stringency.

We cannot discover basis for fearing any serious developments in the American money market. It is true that this week's quotation of 6% for call facilities had not been named since Jan. 3 last, it is true that bankers have sought every available outlet for funds, and it is true that the local surplus reserve has not reflected any extraordinary over-supply of money. But before proceeding to assume that expansion of the requirements would involve stringency, the whole monetary situation, national and international, should be studied. Our principal bankers agree that a very large sum (perhaps \$150,000,000) has been lent by the United States to Europe. Now, the conditions which gave rise to that borrowing have been removed by, first, the settlement of the Moroccan dispute, and, more recently, by the abatement of the diplomatic tension between Great Britain and Germany. Should money become appreciably more valuable here, a large part of the sum now rented out abroad would be returned; in fact, no matter how low quotations may remain here, a considerable proportion of the foreign loans will in all probability be repaid during the next three months, provided always no unforeseen diplomatic rupture occurs. It might even be said that the drastic fall in sterling exchange this week implies active preparations for the return of borrowed funds. In addition to assured assistance, in case of need, from abroad, New York could from now on depend upon relief from interior points. The crops are finding their way to market, part of the money obtained is being deposited in the country banks, and should an attractive price be bid for it by the metropolis, a large inflow would unquestionably be stimulated. New York, it will thus be seen, has little occasion to feel nervous over the strictly monetary outlook.

Call money touched $3\frac{1}{2}\%$ on Monday but renewals were made at $2\frac{3}{8}\%$. On Tuesday $3\frac{3}{4}\%$ was recorded, with most of the business done at 3%. It was on

Wednesday that the maximum reached 6%; on that day nothing was placed under 3¾% and the ruling charge was 4%. After Thursday's holiday there was at first relaxing of the pressure, notwithstanding that Friday was the first day of the new month; but later on rates again rose until 6% was touched. The opening rate was 5%, the maximum 6%, the minimum 4%, the ruling quotation 5% and the final charge 4%. Time money has remained quiet throughout. The range was 3½ to 3¾% until Wednesday, when it was marked up to 3¾ to 4%. But there is no inquiry on this basis and the indications are that the 4% asking rate will shortly be lowered. Commercial paper is attracting very little attention nor will activity be in order until after Dec. 30. The range is 3¾@4% for 60 to 90 days' endorsed bills receivable and exceptionally attractive four to six months' single-name bills with 4½@4¾% named for others.

By declining to the lowest level since the beginning of October, demand sterling has this week acted more naturally than for months, inasmuch as rates have been very unseasonable. The quotation yesterday dropped to 4 8610, after having moved downwards daily. Only once since the latter part of August has the rate fallen below 4 86 and then the minimum was 4 8595. Has the market entered upon a new stage? Are the international exchanges to turn definitely and sharply in our favor? An answer cannot be given without taking into consideration a number of factors, pro and con. On the one hand Europe's monetary troubles have materially subsided and should cease entirely to exercise disturbing influence after the new year; the borrowings from America should shortly be reduced; foreign investors have been and are now buying moderate amounts of stock as well as new securities (mostly notes) here; our balance of merchandise exports is very large and is increasing monthly and money rates have shown some degree of firmness locally during the current week. Against this can be placed only the requirements incidental to the Dec. 1 dividend and interest disbursements and the prospective payments at the close of the year, the possibility of additional gold exports in moderate volume and, should political harassment spring up, the danger of heavy liquidation of our securities by foreign holders. Under the circumstances it would not be astonishing if the normal course of exchange should continue to give place to unseasonable movements; that is to say, gold exports in the fall might be followed by imports in the early months of the year. Moderate engagements to Canada and San Francisco have been announced this week and the decline in exchange, combined with the advance in interest rates, may discourage active resumption of the outflow. The total shipments to date have been \$10,650,000 to Canada, \$2,020,000 to South America and \$4,600,000 transferred to San Francisco.

Compared with Friday of last week, sterling exchange on Saturday was firmer for demand and 60 days, at 4 8670@4 8675 and 4 8340@4 8350, respectively; cable transfers were unchanged at 4 87@4 8705. Demand declined on Monday to 4 8655@4 8660, cable transfers to 4 8685@4 8690 and 60 days to 4 8335@4 8345. There was a sharp break on Tuesday, due in part to the rise in call money and buying of stocks by Europeans; demand fell to 4 8635@4 8640, cable transfers to 4 8665@4 8675 and 60 days to 4 8320@4 8330. On Wednesday, after opening at 4 8635, de-

mand broke to 4 8615 and closed at 4 8620@4 8625, cable transfers closed at 4 8655@4 8660 and 60 days at 4 83@4 8310. Thursday was a holiday. On Friday demand fluctuated between 4 8610 and 4 8625. The close was at 4 8270@4 8280 for 60 days, 4 8610@4 8615 for demand and 4 8655@4 8665 for cables. Commercial on banks was quoted at 4 82@4 82¾ and documents for payment 4 82¾@4 83¼. Cotton for payment ranged from 4 82¾@4 83¼, grain for payment from 4 83@4 83¼.

The following gives the week's movement of money to and from the interior by the New York banks.

Week ending Dec. 1 1911.	Received by N. Y. Banks.	Shipped by N. Y. Banks.	Net Interior Movement.
Currency	\$6,853,000	\$4,197,000	Gain \$2,656,000
Gold	2,094,000	1,897,000	Gain 197,000
Total gold and legal tenders.....	\$8,947,000	\$6,094,000	Gain \$2,853,000

With the Sub-Treasury operations the result is as follows.

Week ending Dec. 1 1911.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Banks interior movement as above..	\$8,947,000	\$6,094,000	Gain \$2,853,000
Sub-Treasury operations.....	18,500,000	28,000,000	Loss 9,500,000
Total gold and legal tenders.....	\$27,447,000	\$34,094,000	Loss \$6,647,000

The following table indicates the amount of bullion in the principal European banks.

Banks of	November 30 1911.			December 1 1910.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England..	£ 37,357,243	£	£ 37,357,243	£ 35,631,472	£	£ 35,631,472
France...	128,421,400	32,247,360	160,668,760	131,533,640	33,085,880	164,619,520
Germany..	42,490,600	14,656,800	57,147,400	39,079,700	13,914,000	52,993,700
Russia a..	142,072,000	6,044,000	148,116,000	145,704,000	6,055,000	151,759,000
Aus.-Hunb.	53,737,000	11,729,000	65,466,000	55,398,000	12,003,000	67,401,000
Spain...	16,702,000	30,308,000	47,010,000	16,400,000	30,767,000	47,167,000
Italy d...	40,702,000	3,579,000	44,281,000	39,146,000	3,475,000	42,621,000
Nethlands	11,534,000	1,173,300	12,707,300	10,252,000	2,416,000	12,668,000
Nat. Belg.	6,680,667	3,340,333	10,021,000	5,518,000	2,759,000	8,277,000
Sweden...	4,734,000	.....	4,734,000	4,478,000	.....	4,478,000
Switz land	6,466,000	.....	6,466,000	6,347,000	.....	6,347,000
Norway...	2,276,000	.....	2,276,000	2,055,000	.....	2,055,000
Total week	493,172,910	103,077,793	596,250,703	491,542,812	104,474,880	596,017,692
Prev. week	491,164,528	102,124,377	593,288,905	489,374,441	103,240,673	592,615,114

a The total of gold in the Bank of Russia includes the balance held abroad—that is, the amount held for Russian account in other Continental banks. The proportion so held, and consequently duplicated in the above statement, is about one-seventh of the total this year, against about one-eighth a year ago.

b The Austro-Hungarian Bank statement is now issued in Kronen and Heller instead of Gulden and Kreuzer. The reduction of the former currency to sterling Pounds was by considering the Gulden to have the value of 80 cents. As the Kronen has really no greater value than 20 cents, our cable correspondent in London, in order to reduce Kronen to Pounds, has altered the basis of conversion by dividing the amount of Kronen by 24 instead of 20.

d The division (between gold and silver) given in our table of coin and bullion in the Banks of Italy and Belgium is made from the best estimates we are able to obtain; it is not claimed to be accurate, as the banks make no distinction in their weekly returns, merely reporting the total gold and silver; but we believe the division we make is a close approximation.

SIR EDWARD GREY'S SPEECH.

Neither Sir Edward Grey's remarkable speech on England's position in the Morocco matter, delivered in Parliament last Monday, nor the manner of reception of that speech by the various nations concerned in the recent diplomatic dispute, can be fully understood without a review of the circumstances with which it dealt. The crux of the discussion which devolved upon Sir Edward Grey was the situation that existed in the third week of last July. All that the public knew at that time was that relations between France and Germany, which had apparently been growing more peaceable, had suddenly become strained, and that both nations were beginning to talk of war. At that very moment, when the underlying reasons for that change in feeling were concealed from the general public, Mr. Lloyd-George, Chancellor of the British Exchequer, spoke for the Government at the Lord Mayor's dinner in London. He described himself as "a sincere advocate of all means which would lead to the settlement of international disputes, of methods such as those which civilization has so successfully set up for the adjustment of differences between individuals."

But when he came down to the question of England's relations to the Morocco question, he

declared with great force that the English Government could not allow itself to be excluded from the "Cabinet of Nations," where its interests were vitally affected. It must at all hazards, he asserted, maintain its place and prestige among the great Powers. Peace at the price of loss of international respect, Mr. Lloyd-George concluded, "would be a humiliation intolerable to a great country like ours to endure". In a somewhat milder way, but with really equal positiveness, Mr. Asquith endorsed in Parliament the following week the speech of the Chancellor of the Exchequer, and distinctly intimated that in the event of a resort to arms, England was prepared to stand by France.

Until not quite two weeks ago, the general public was unaware of exactly what the situation was which had called forth these remarkable declarations. The facts began to come out shortly after the final conclusion, on November 4, of the peace agreement between France and Germany. The German Chancellor and his Foreign Minister were attacked with great bitterness in the Reichstag when they made their subsequent report on Germany's reasons for reaching the agreement. This feeling of bitterness and hostility was so great as to have drawn into public and emphatic endorsement of it no less a personage than the Crown Prince of Germany, the heir to the Imperial Throne. Partly, no doubt, in consequence of these attacks within his own country, the German Foreign Minister on November 21 set forth in a vigorous speech to the Reichstag his version of the facts which had occurred around the time of Mr. Lloyd-George's speech.

The situation at that time, he plainly stated, was in all respects critical. As long ago as the opening of July, England had been formally notified by the German Government of the dispatch of a German gunboat to Morocco. Nothing further had been said on either side until July 21, when Sir Edward Grey suddenly demanded an explanation of Germany's designs, intimating that the German demands made on France for compensation were unacceptable to France. The German Ambassador at London replied, according to this version of the incident, that England had no right to make such an intimation, and that the German Government could not accept British participation in any negotiation between Germany and France. That very evening Lloyd-George made his famous speech, and it was not until July 27, nearly a week later, that England announced to the German Government that it did not contemplate participation in the Morocco negotiations.

Clearly, this statement of the case put the British Government more or less in the wrong, and it was that fact which lent exceptional interest to last Monday's speech by Sir Edward Grey, the British Foreign Minister. Sir Edward stated frankly to Parliament that he spoke only because the German Government had already made public so much of the details in the matter. But he did not regard that statement as complete, and was, therefore, under the necessity of supplementing it by further facts. It was not correct, according to Sir Edward, to affirm that the British Government had kept Germany waiting, from July 1 to July 21, for the English view of the case. On the contrary, after having been informed on July 1 of the dispatch of the "Panther" to Agadir, Sir Edward had on July 3 informed the German Ambassador that the situation created was so important that it must be discussed at a Cabinet Council. The following day he informed the Ambassador that Great Britain

did not feel herself able to take a disinterested attitude concerning Morocco or to recognize any new arrangement arrived at without her consent. To this no reply was made by the German Government before July 21.

It will be seen, therefore, that this peculiar incident was susceptible of two exactly opposite interpretations. The British Government undoubtedly assumed that an early reply to its declaration of July 4 was to be expected from the German Ambassador. The German Government, judging from the speech to the Reichstag, took the position that it must first hear something further from England on the matter. The upshot, Sir Edward Grey proceeded to point out, was that on July 21 he again communicated with the German Ambassador, informing him that the British Government must maintain an interest in the matter and that "in the event of negotiations with France failing, Great Britain would be obliged to take some step in order to protect British interests." To this reminder, according to Sir Edward, the German Ambassador was unable to make any official reply, beyond asserting that his Government had no intention of acquiring commercial monopolies in Morocco.

The Lloyd-George speech occurred that very same evening; it was delivered, Sir Edward Grey declared last Monday, only after consultation with himself and the Premier, Mr. Asquith. Four days afterward the German Ambassador complained, in behalf of his Government, of Lloyd-George's speech; to which Sir Edward replied that "I felt that the tone of the communication made it inconsistent with our dignity to give any explanation of the speech." It was two or three days later, on July 27, that overtures of good-will from Germany came, in the shape of a statement of the Imperial Government's assurance that British interests would not be attacked and its expression for the wish for a reassuring statement by the Ministry to the public on the Anglo-German relations.

Having made this chronological explanation of the matter, Sir Edward Grey set forth in his speech that "a good deal of misunderstanding could have been avoided if Germany had made clear about July 4 that she had no intention of taking any part of Morocco." But he added further: "I do not believe that Germany has aggressive designs, and all that we, or other neighbors of Germany, desire is to live with her on equal terms," and he declared his belief that his statements would prove "a sedative to a world which has been indulging in a fit of political alcoholism."

Taken as a whole, the speech was one of unusual adroitness. Sir Edward's task was extremely difficult. He had to question the version publicly given out by the German Government of an important diplomatic incident. He had, at the same time, to convince the German people of the friendliness of England—this while creating no uneasiness in France as to maintenance of mutual agreements, and giving no opportunity for political enemies at home to say that the British Government was receding from its previous firm position. It is possible that this somewhat troublesome achievement could not have been better effected than was done in Sir Edward's speech. But there was just enough of doubtful matter in it to give very great interest to the problem, how it would be received in the several quarters whose views of the general episode differed so widely.

All things considered, that reception has been reassuring. Parliament at once took a firm stand in

support of the Ministry's foreign policy. Mr. Bonar Law, the new leader of the Opposition, expressed his conviction that in the Anglo-German negotiations, "every step had been taken with sole regard for British interests." Some of the usual criticism by the factional elements in Parliament, such as complaint at the secrecy of the negotiations and complaint that England had not intervened in the Turko-Italian matter, as well as in the Franco-German affair, was answered by the Prime Minister on the ground that Governmental negotiations must be kept private in the interests of both parties to them, that there is no secret arrangement of any sort with a foreign nation which has not been fully disclosed to the English people, and that the prime interest of the British Government must always be to secure the peace of the world.

The English press was similarly unanimous in support of Sir Edward Grey's speech; the Paris press expressed like gratification. As was to be expected, the German newspapers and public men took a more non-committal view. The German comment, even on the question of whether the speech would help toward promoting Anglo-German good feeling, being somewhat conflicting. On the financial markets, meantime, the response to the speech was of purely negative character. That may have been because the shrewd judgment of the markets had anticipated very much such a deliverance as was actually made.

Both in England and in Germany it has apparently been assumed, before and since Sir Edward's speech, that the whole episode thus disclosed would greatly intensify German bitterness towards England; that it would lend a hand to further rapid increase in naval armaments, and that it opened up an uncertain political horizon for the future. We are highly skeptical as to the probability of any such result, and we do not see that it is fairly foreshadowed in either the public discussions of last Monday's speech or in newspaper comments on it. Such predictions, indeed, make it necessary to refer again to the notable instance of the Fashoda quarrel between France and England in 1898, which all the diplomatic wiseacres were assured would lead to implacable anti-English feeling among the French, but whose actual sequel was the Anglo-French alliance.

To us, the really plain and obvious ground for gratification in this, the concluding, incident of the Morocco affair, is the fact that it is the concluding incident. To what extent the mutual jealousies of the nations may be encouraged or removed as a result of recent diplomatic affairs, will remain a matter of debate. But our own idea is that the conclusion of the Morocco episode, in the way in which it has been terminated, has been received by every nation concerned with the profoundest satisfaction and relief. As time goes on, we have not the slightest doubt that this sentiment will continue to prevail, and that efforts to stir up international bad feeling again will be considerably more difficult because of what has happened during the autumn of 1911.

DYNAMITE ON THE FARM.

Reformers discourse and politicians wrangle about the problems of transportation and the distribution of wealth, and statutes are piled higher and higher in the attempt—so attractive to the mass of persons who find it easier to accept propositions ready-made than to do any serious thinking for themselves—to fix matters so that the shares in the good things of life shall be more "square." Except for the labor of the pro-

ducers, especially of those who work directly upon the soil, that sole source of material wealth, there would be nothing for the talkers and the reformers to attack. It is therefore pleasant, and also encouraging, to turn now and then from all this wordy fury and note what some are quietly doing to make three blades of grass and three bushels of vegetables where there have been only two.

The common carrier must perish unless he has things to carry. Therefore, not because they are philanthropic but because they consider self-preservation, the railroads have been of late years going more earnestly and more methodically into the work of aiding agriculture. They have run farmers' trains, agricultural schools on wheels; they have maintained experimental farms; and they issue booklets on more intensive and scientific farming. A small packet of these by the Pennsylvania road is before us. Two concern alfalfa and the use of lime on land, giving, also, a list of shippers of agricultural lime and fertilizers on or adjacent to the company's lines. Several relate to orchard development—planting, pruning and spraying, prepared by men who are believed to be the best practical authorities. One booklet of 80 pages relates solely to the potato, and the largest and most interesting (comprising 112 illustrated pages octavo) treats of "intensive farming and the use of dynamite." At first, somebody acted successfully upon the thought that removal of stumps could be made easier by loosening them with explosives; later, it was discovered that the cheapest way was to make the explosive do the whole work, lifting the stump completely out of the ground and shattering it into fragments at the same time. Then says this booklet:

About this time it was discovered that it was cheaper to blast out boulders and plant the ground they occupied than to plow around them. Then some enterprising farmer who had had trouble with foundations settling decided that it was a good plan to build his house and his barns on rock and learned that it did not cost much to do the necessary blasting for foundations and cellars. This led to the idea of blasting the rock encountered in digging drains, and of using a small quantity of explosives to hurry along the work of digging holes for fence posts and poles. The rock met with in sinking wells was soon cut through with explosives. Early in the spring, when the ice came down the streams and a gorge at the bridge threatened to cause a flood and carry away the bridge, too, a little dynamite quickly relieved the situation. In lumber districts, log jams were started in the same way.

The stone fence and the stump fence of New England were constructed, in part, as the easiest way to clear the land of impediments, but this booklet declares that the corn from six hills would in a few years pay for dynamite enough to dispose of many stumps and boulders. Chapters on clearing land by felling trees and removing stumps and boulders form the first stage, as treated here; the second stage is more surprising reading, for it treats of "getting the farm into shape" by digging ditches, draining swamps, excavating for foundations, sinking wells and digging holes for fence posts, all by dynamite. We are told that "dynamite digs the cleanest and most regular ditches in wet clay or gumbo," and the illustrations are more surprising than the text, for they show the explosion which is "digging" the ditch and the ditch as instantly ready to fill with water. Three men, we read, can dig 1,000 feet in three days, using 250 pounds of dynamite, and at one-third the expense of any other method; in

extreme cases, as much as a quarter mile of ditch can be made at a blast.

The third stage, "preparing the land for crops," introduces the reader to breaking up hardpan and even to plowing with dynamite; next, to using it in the orchard to make the holes for planting young trees. When we consider that the function of the plow is to break up the soil and turn up the strata just below the surface, it is not so strange to read that many agriculturalists "are already claiming that sub-soil plowing with dynamite will be a common custom in a few years and will represent millions in increased crops from lands already under cultivation and more millions from lands now producing nothing but weeds and considered entirely worthless." The possible advantages of shattering hardpan over pecking at it with tools seem reasonable enough; the booklet declares that this is the only means for breaking true hardpan, and that when it is thus broken it will grow fruit like other land. As for the process of tree-planting, an instance is cited in which three peach trees set in dynamited holes produced bushels of fruit in three years, while six others in the usual hand-made holes bore hardly anything. One successful Missouri grower is quoted as saying that he would never think of re-planting where a tree had died out without making the hole by dynamite, for thus the new trees are better bearers and resist diseases better. The only explanation can be in the thoroughness with which the explosive does its work of stirring up.

Not only can supposedly worthless land be made profitable by proper methods but supposedly worn-out land can be put back in yield. A case is related of a Delaware farm which had been worked too fast and had then been allowed to lie idle for five years, meanwhile growing large crops of sassafras, sweetbriar and general weeds. An expert sent by the Pennsylvania road took charge, and under his studied treatment this land responded with a corn crop of 47 bushels per acre in the first year.

This "dynamite" treatise in particular should be of value to the practical agriculturalist and of interest to all thinking men, especially the last chapter, on "creating traffic through co-operation of farmer and railroad." A part of the title is "increase the crop per acre." The railroad is not engaged in authorship, or in publishing, or in building fine examples of architecture; these are incidental. It is in business, and it has been turned to agriculture because of its imperative need of business to do.

THE COUNTRY'S LARGE COAL PRODUCTION.

There is perhaps no more striking way of indicating the industrial activity of the United States than by the statistics of the country's coal production. Most persons know that the United States consumes and produces a large amount of coal annually, but we doubt that there are many who have a proper idea of the magnitude of the total. The United States Geological Survey has just published the figures for the calendar year 1910, and they serve to reveal the real extent of the yearly output of this most important article of fuel, and without the aid of which it would be impossible to carry on modern-day industrial activity.

The year 1910 was not a period of unalloyed prosperity or of uninterrupted trade activity. As a matter of fact business conditions grew steadily less favorable as the year progressed and there was much com-

plaint of dulness and of business reaction. Yet the amount of coal mined (and presumably consumed) was of prodigious extent. We are sure it will come as a surprise to the vast majority of persons to hear that coal production in this period of twelve months exceeded half a billion tons of 2,000 lbs. In exact figures the output of the coal mines of the United States in 1910 was 501,596,378 short tons, according to the compilation of the Geological Survey. In its yearly coal product this country far outstrips all others and in 1910 its total exceeded that of Great Britain (which ranked second) by over 200 million tons. Great Britain's output in 1910 was less than 60% of that of the United States and Germany's was less than half. The increase in both of these countries in 1910 over 1909 was comparatively small, whereas the increase in the United States was nearly equal to the entire production of France and was more than the total production of any foreign country except Great Britain, Germany, Austria-Hungary and France.

Stated in brief, 501,000,000 tons were mined in the United States, 296,000,000 tons in the United Kingdom, 245,000,000 tons in Germany, while France produced only 42,000,000 tons. The United States has held first place among the coal-producing countries of the world since 1899, when it surpassed Great Britain. In the eleven years since 1899, the Geological Survey tells us, the annual output of the United States has nearly doubled, it having risen from 253,741,192 short tons to 501,596,378 tons, whereas that of Great Britain has increased only 20%—from 246,506,155 short tons to 296,007,699 tons. But even these comparisons do not indicate the full measure of the difference between the two countries in the home consumption of coal. A considerable portion of the British output of coal each year is exported. Of our own coal production only relatively small amounts are shipped out of the country. The total exports of coal from the United States in the calendar year 1910, including bunker coal taken by vessels in the foreign trade, reached only 22,681,634 short tons. On the other hand, of the 296,007,699 tons of coal mined in Great Britain in 1910 no less than 69,535,703 tons were exported.

The United States Geological Survey also undertakes to indicate the yearly production of coal of the whole world, using for this purpose the latest figures available in each case. We insert here the compilation prepared by the Geological Survey. It reports the coal production of the principal countries of the world in 1910, except where only the 1909 figures were at hand, in which case the latter are used.

THE WORLD'S PRODUCTION OF COAL, IN SHORT TONS.			
United States (1910) ..	501,596,378	Spain (1909) ..	4,546,713
Great Britain (1910) ..	296,007,699	Transvaal (1910) ..	4,446,477
Germany (1910) ..	245,043,120	Natal (1910) ..	2,572,012
Austria-Hungary (1909) ..	54,573,788	New Zealand (1909) ..	2,140,597
France (1910) ..	42,516,232	Mexico (1909) ..	1,432,990
Belgium (1910) ..	26,374,986	Holland (1909) ..	1,235,515
Russia & Finland (1910) ..	24,967,095	Queensland & Victoria. (1909) ..	1,119,708
Japan (1909) ..	16,505,418	Italy (1909) ..	611,857
Canada (1910) ..	12,796,512	Sweden (1909) ..	272,056
China (1909) ..	13,227,600	Cape Colony (1909) ..	103,519
India (1909) ..	13,294,528	Tasmania (1909) ..	93,845
New South Wales (1909) ..	7,862,264	Other countries ..	5,236,903
Total ..			1,278,577,812
Percentage of the United States ..			39.2

From the foregoing it will be seen that the total coal production of the world in 1910 was approximately 1,300,000,000 short tons, of which the United States contributed nearly 40%. The product of the three leading countries combined—the United States, Great Britain and Germany—by itself runs considerably in excess of one thousand million tons, having been 1,042,647,197 tons. Obviously, with the mines of the world being depleted on such a huge scale and with industrial activity rising higher each year in all

the leading countries, making it certain that coal production will expand further and still further, the question of how long the supply is going to last is invested with new interest, even though there is no likelihood that the point of exhaustion will be reached during our day.

STILL SEEKING NEW COTTON FIELDS.

Since we wrote upon the subject in the early spring, much information has been received from abroad indicating that there has been no disposition to slacken efforts to secure increasing supplies of cotton from without the United States. Nor has the decided decline in the price of the staple here, following the phenomenal yield from last spring's planting, operated appreciably in that direction, especially in view of the persistent reports that efforts are to be made to induce planters to radically reduce area next year. Of course, no one really believes that any such movement will meet with any measure of success, but the reports have a certain sentimental effect, more particularly among those who are striving for at least partial independence from the United States as a source of supply. And that independence would mean a considerable freedom from the effects of such speculative manipulation of prices as has adversely affected the cotton goods trade in recent years.

We pointed out last March that under English, French and German auspices experiments were being made in practically every locality of Africa where the cultivation of cotton would seem to promise a successful outcome, and that more or less favorable results had been secured, although not such as appeared to warrant expectations of important additions to the supply in the near future. In Asia, too, as well as in South America, China and the West India islands, &c., it was also shown that progress was being made. Yet developments up to that time in no degree threatened the supremacy of the United States as a source of cotton supply and have not done so since. But efforts continue unabated.

There are those who are strongly of the opinion that South America offers the most fruitful field for the extension of cotton cultivation and that Argentina is the country in which it can be carried on with promise of great success. This coincides with the view expressed by the late Edward Atkinson almost fifty years ago, and after exhaustive investigation that "there is but one section of the earth's surface where, in my judgment, there can be competition with our cotton States in growing cotton of equal quality, and that is on the high pampas of the Parana and Paraguay Rivers, sufficiently elevated to be free from tropical conditions, endowed with a soil of wonderful fertility, and capable of unlimited crops of cotton and wheat." Since those views were expressed we have seen Argentina advance to a position second only to the United States as a producer of wheat and corn, but showing no development along cotton lines, not more than 5,000 or 6,000 acres having thus far been planted to that crop, out of some 150,000,000 acres said to be suitable for its production.

Now, however, the country is becoming alive to the possibilities of cotton cultivation, as is indicated in a report recently prepared and submitted by Mr. Juan S. Attwell, Inspector of Land and Colonies of the Department of Agriculture of Argentina. Mr. Attwell's report represents his opinion on the adaptability

of the Chaco Territory for cotton culture, the subject being comprehensively treated from a practical point of view. He cites the opinion of Mr. Joseph E. Wing, who recently visited Argentina on a Pan-American mission from the United States that "I have seldom seen such vigorous and productive cotton plants as those on the farms of the Chaco. The cotton in the Chaco seem to set an unusual burden of fruit and, altogether to rival the best we have in North America. The soil is alluvial and much like that of the Mississippi Valley in Louisiana, but more friable and easily tilled." Such testimony from one well-versed in agriculture is convincing proof of the adaptability of the territory referred to for cotton culture, but nevertheless little in that direction has yet been done.

According to Mr. Attwell, Argentina could easily devote to cotton in the northern Provinces and Territories an area equal to that now under the staple in the United States, without the need of fertilizers, which add materially to the cost of production; but the labor problem is yet to be solved. At the present time most of the planting in the Chaco is done by European farmers, who employ native Indians and peons from Paraguay and the Province of Corrientes to pick the cotton. The construction of new railroads is, of course, tending to increase the population of the country, but large tracts of Government lands await the coming of the farmer. To take measures to facilitate the settlement of these lands, encourage in a practical manner the planting of cotton and induce pickers to come at the time of gathering the crops, are steps, Mr. Attwell thinks, the Government, if it could find a way, might take in assisting agriculture in the Northern Provinces and Territories.

The future of cotton culture in Argentina is assured, he says, the experimental stage having been passed. Furthermore, as cotton growing is one of the most profitable pursuits in the country, it is to be expected that the Government will do all in its power to further its material and rapid extension.

From other directions information at hand indicates that raising of cotton in increasing quantities or the initiation of its cultivation is claiming attention. Along the Rio Grande River in Mexico a largely augmented planting is a development of the current year and the same is true of the fields from which Russia largely draws its supply. In Abyssinia some 150,000 acres are now in cotton and in Eritrea, Italy's African province, it is proposed to plant on a large scale. Australian advices are to the effect that efforts to plant more profitably are being made in Queensland, and Turkey is endeavoring to extend area. In Chosen (Korea) the area, which is now less than 10,000 acres, it is reported, will be increased to 600,000 acres by 1917. Experiments in cotton culture are being made in Java and Sumatra (Dutch East Indies) and continue in the Transvaal, Sudan and some other parts of Africa and the West Indies.

Altogether, it will be observed, there is no let up in the efforts to secure increasing supplies of cotton from countries other than the United States. Obviously, many of these efforts are doomed to failure, owing to the unsuitableness of the soil or climatic conditions. Moreover, judging the future by the past, many years are apt to elapse before the new product will make any important impression on the world's supply. There is reason to expect, however, that if great progress is made anywhere, it will be in Argentina.

THE ST. LOUIS & SAN FRANCISCO
RAILROAD REPORT.

The announcement made last week that the Louisville & Nashville and the St. Louis & San Francisco had acquired joint ownership of the New Orleans Mobile & Chicago RR., and that two important extensions of the latter are to be built, so as to afford the St. Louis & San Francisco a short line between Memphis and New Orleans and also a short line between Chicago and both Mobile and New Orleans, gives added interest to the annual report of the St. Louis & San Francisco for the fiscal year ending June 30 1911, recently made public. These new connections, when provided, will of course serve to promote still further the growth of the 'Frisco system. During the two years that the latter has had the advantage of an independent existence its business and revenues have been developed in a way that has been quite noteworthy, especially in view of the large antecedent growth. When we speak of the road being maintained as an independent property, we have reference, of course, to the fact that in December 1909 the Rock Island Company, which formerly held control of the road, parted with its ownership in the same to the Yoakum-Hawley interests, who have since been administering the road. These are the same interests which control the Missouri Kansas & Texas, the Chesapeake & Ohio, the Chicago & Alton, the Minneapolis & St. Louis, the Iowa Central and the Toledo St. Louis & Western. Under the far-sighted policy of these interests the growth of all these various roads has been intelligently fostered, and that characteristic is observable also in the case of the St. Louis & San Francisco, now under the same domination.

During the twelve months ending June 30 1911 the St. Louis & San Francisco added very substantially to both its gross and its net revenues, which cannot be said of a great many large railroad properties. In the case of the gross the addition was \$1,993,288 and in the net \$1,349,730. The striking feature is the comparatively light augmentation in expenses. The explanation is found in great part in the circumstance that in the previous fiscal year the addition to expenses had outrun the increase in gross earnings, though this increase was by no means small. Combining the two years, we find that since the new interests have been in control total gross revenues have risen from \$37,756,986 to \$43,159,227 and net earnings have advanced from \$12,996,894 to \$13,838,827. This is before the deduction of taxes, which for 1911 were \$1,811,827, against \$1,532,148 for 1909. Allowing for the taxes, the final net is \$12,027,000, against \$11,464,746, an improvement of only \$562,254 on a gain in gross in the two years of \$5,402,241. It illustrates how trying conditions have become in the railroad world that large additions to business and to gross revenues are bringing such slight improvement in the net results.

The satisfactory feature, of course, is the continued growth in traffic and in gross revenues, under which it is made possible to bear the steady advance in operating cost. Going back six years to 1905, it is found that there has been no great increase in length of road in this interval. In other words, the average number of miles operated has not greatly changed, it having been 5,030 miles for 1904-05 and 5,187 miles for 1910-11. In these same six years total gross receipts have risen from \$29,958,239 to \$43,159,227, and the net earnings, notwithstanding an increase in the ratio

of expenses to earnings from 64.40% to 67.94%, have advanced from \$10,661,222 to \$13,838,827.

The late year's further increase attracts particular attention, inasmuch as it was made in face of unfavorable influences and conditions. That conditions were adverse is evident from a casual glance at the traffic statistics. It is taken for granted that general business depression does not affect the traffic of Western and Southern lines to the same extent as that in the territory of the roads in the Middle and Middle Western States. The supposition is correct. But it nevertheless remains true that business depression does have its influence in reducing the tonnage of certain classes of traffic, though not to the same extent as further East. In the case of the St. Louis & San Francisco we discover that the aggregate number of tons of revenue freight moved in 1911 was 17,128,446 tons, as against 17,829,713 tons, and the number of tons of revenue freight moved one mile was 2,675,695,200, against 2,829,482,793. The important fact is that the loss of 701,267 tons in the aggregate number of tons of freight moved occurred in face of an increase of 153,755 tons in the agricultural traffic and of 70,220 tons in the movement of animals and animal products. The increases under these two heads afford proof that the Southwest enjoyed good crops last season—perhaps better crops (except in the case of cotton) than were raised this year. Nevertheless the extra tonnage by reason of these good crops did not suffice to prevent a falling off in the classes of traffic which vary more or less in magnitude as general trade conditions are prosperous or the reverse. Thus the mineral traffic was reduced no less than 597,642 tons, or 8.29%, the movement of forest products fell off 373,821 tons, or 10.12%, while the classes of traffic denominated "manufactures" decreased 55,768 tons, or 2.03%. The loss under the three heads combined exceeded a million tons, which affords an indication of the part played by general business depression as an adverse element in affairs.

But notwithstanding the aggregate freight movement was less than in the preceding year, the freight earnings were nevertheless slightly larger. That means that the rate realized was somewhat better, having been 10.5 mills per ton per mile against 9.8 mills in the previous year. It must not be inferred, however, that transportation charges for the same classes of goods were actually higher. On the contrary. The figure given is simply the average and this average is higher because the losses were in the classes of commodities carrying the lowest rates. There appears also to have been an increase in the local traffic yielding the best rates, as distinguished from the long-haul, or through, traffic, on which the rate per mile is necessarily exceedingly meagre. As bearing out that view, it should be noted that the average haul on the revenue freight was less than 156¼ miles in 1911, against over 158½ miles in the previous year. It deserves to be noted, however, that the bulk of the late year's gain in gross revenues was supplied, not by the freight traffic, but by the passenger traffic. Here there have been pronounced increases for many years.

We have already seen that the augmentation in expenses in the late year was comparatively slight. It remains to add that in the maintenance outlays there were actually some slight decreases, \$308,089 less having been spent upon maintenance of way and structures and \$202,020 less upon maintenance of equipment. It is pointed out in the report, however, that the property was well maintained during the year, and this is evident from the fact that expenditures for mainte-

nance of way averaged \$1,054 per mile of road operated, that repairs of locomotives averaged \$2,671 per engine owned, repairs of freight cars nearly \$63 each and repairs for passenger cars \$727 each.

Considering the income account in relation to fixed charges and dividend requirements, the showing is very satisfactory. After allowing for 4% dividends on the first preferred stock of \$5,000,000—the only class of share capital on which dividends are being paid—a surplus of \$1,335,661 remains, which would pay 4% on the \$16,000,000 of second preferred stock and yet leave a balance amounting to \$695,661.

In these figures we are not dealing with the results for the Chicago & Eastern Illinois and the New Orleans Texas & Mexico RR. The Chicago & Eastern Illinois earns a small independent surplus above the dividend requirements on its own shares. The New Orleans Texas & Mexico, however, is a new property, and development on it has not proceeded far enough to make it self-sustaining. The line extends from New Orleans through Houston to Brownsville, Tex., on the Mexican border, and is now operating 976 miles, including 183 miles under trackage rights. It is pointed out that political conditions in Mexico prevented the expected interchange of traffic via the Brownsville gateway, while unforeseen delays in the completion of necessary ballast and other construction work prevented through passenger train service from being undertaken until near the close of the fiscal year (June 18). For these reasons this line, it is stated, could not be considered as in full operation until that time. In addition to interest on its indebtedness, the St. Louis & San Francisco, we are told, paid \$254,148 in rentals, leaving a deficit for the year of \$943,392, which, for the reasons stated, has been included in the cost of the property.

Nevertheless, gross earnings for the fiscal year for this piece of road aggregated \$3,737,716. The report also alludes, as evidence of strength, to the noticeable development of traffic since the close of the fiscal year, gross earnings for three months ending Sept. 30 1911 having recorded an increase of \$219,640, or 26%, over the same period in 1910.

It is also deemed worthy of notice that the acreage planted in cotton in 1911 tributary to the Brownsville line was considerably more than double that planted in 1910. Shipments of cotton from the Rio Grande Valley in July, it is stated, were 6,000 bales, against 700 bales last year. We are told, furthermore, that shipments of sugar will commence by Dec. 1, and that the increased acreage planted indicates a large gain in the movement of that commodity. It is expected that Louisiana will have the largest sugar-cane crop in its history, and the present high prices for sugar should result, it is argued, in very favorable conditions for that State. There has likewise been a marked gain in population along the line during the year. Reference to all these facts in regard to this property is important, seeing that the St. Louis & San Francisco's future is so largely bound up in the growth and development of that line. From the facts cited, the probabilities would appear to be that the property will in due course become self-sustaining.

ITEMS ABOUT BANKS, BANKERS AND TRUST CO.'S.

—Only 50 shares of bank stock were sold at the Stock Exchange this week, and no sales were made at auction. Of trust company stock, ten shares were sold at auction.

Shares.	BANK—New York.	Low.	High.	Close.	Last previous sale.
50	Commerce, Nat. Bank of—	198	199	198	—Nov 1911—199 1/4
	TRUST COMPANY—New York.				
10	Washington Trust Co.—	371	371	371	May 1911—370 1/4

—The thirty-seventh annual Convention of the American Bankers' Association, which ended its sessions in New Orleans on Friday of last week, will long be remembered by those in attendance as not only an extremely enjoyable meeting, but one where an immense amount of good work was accomplished by the Association as a whole, making it one of the most important meetings ever held by the Association. The social features of the Convention have also been commended, as the committee in charge did its utmost to make the stay of the delegates in the Crescent City a most happy one. On Monday afternoon a visit was made to the city water-works plant, one of the finest in the country; the system of filtration was fully explained in every detail by a corps of experts, and not only was the trip a pleasant one, but instructive as well. Monday evening was devoted to a reception and musicale to the ladies and their escorts at the St. Charles Hotel. Tuesday evening's reception at the Country Club, and fete champetre at the City Park was an event of great magnificence; the grounds on this occasion were transformed into a veritable fairy land by thousands of colored lights, lanterns, &c. The customary reception and ball, which was held in the French Opera House, was particularly noteworthy, few affairs, if any, having ever surpassed the beauty of this scene, with its tiers of boxes filled with handsomely-gowned women. The trip on Thursday afternoon to the harbor and down the Mississippi to the Kenilworth sugar plantation was likewise much enjoyed. The sightseers were accorded the privilege of observing the entire process of sugar manufacture, from the stalk to the finished "raw" product. A most substantial luncheon was served en route on the four steamers, and those in charge of this event saw to it that nothing was left undone to make this trip an enjoyable one. The week was brought to a close by a memorable gala performance by the French Grand Opera Company.

The officials elected to serve for the ensuing year are: Mr. William Livingstone, President of the Dime Savings Bank of Detroit, President; Charles H. Huttig, President of the Third National Bank of St. Louis, Vice-President; Arthur Reynolds, President of the Des Moines National Bank of Des Moines, Iowa, Chairman of the Executive Council, and J. Fletcher Farrell, Vice-President of the Fort Dearborn National Bank, Chicago, Treasurer. Colonel Fred. E. Farnsworth was re-elected General Secretary.

Mr. Livingstone, the newly-elected head of the association, was born in Dundas, Ontario, in 1844, but has lived in Detroit since he was 6 years old. His father was a steamboatman and for many years the son followed his father's vocation. It is for this reason that he is familiarly known to his many friends and associates as "Commodore". Besides being President of the Dime Savings Bank, he is also President of the Lake Carriers' Association, controlling more than 600 vessels on the Great Lakes.

Regret was expressed on every side over the illness of Mr. Charles H. Huttig, the newly-elected Vice-President. His geniality and strong business character has made for him a host of warm personal friends.

We report the proceedings of the Convention in full in our "Bankers' Convention Section," which accompanies to-day's issue of the "Chronicle." Every subscriber should receive a copy of this special Supplement.

—John K. Ottley, Vice-President of the Fourth National Bank of Atlanta, Ga., has been elected Chairman of the Executive Committee of the Clearing-House Section.

—Seth Low, President of the National Civic Federation, appeared before the Inter-State Commerce Commission this week and presented statistics indicating the views of a considerable number of business men on anti-trust legislation, the information having been collected through correspondence dealing with a series of questions originating from the Federation's Department on the Regulation of Industrial Corporations. About 20,000 representative men—manufacturers, editors, farmers, lawyers, merchants, bankers, labor leaders, political economists, boards of trade and chambers of commerce—were addressed in the matter, and the first 1,000 answers, or, to be exact, 1,066, Mr. Low showed, have brought the following results:

1. Do you believe that the Sherman Law, as now interpreted, is made clear and workable? Yes, 192. No, 841.
2. Do you consider it feasible to attempt to return to what are commonly known as old competitive methods in business? Yes, 181. No, 881.
3. Do you favor a repeal of the Sherman Law? Yes, 379. No, 600.
4. Do you favor amending the Sherman Law in any way? If so, in what particulars? Yes, 585. No, 149.
5. Should railroads be allowed to enter into agreements affecting rates, subject to the approval and regulation of the Inter-State Commerce Commission? Yes, 975. No, 63.

6. Should trade unions be excepted from the operation of the Sherman Act? Yes, 102. No, 962.
 7. Should combinations of farmers, either to restrict production or to hold a crop for higher prices, be rendered lawful under the Sherman Act? Yes, 209. No, 828.
 8. Do you favor a national incorporation law? Yes, 757. No, 191.
 9. Do you favor a Federal license law? Yes, 451. No, 294.
 10. Do you favor an Inter-State Trade Commission with powers not unlike those now enjoyed by the Inter-State Commerce Commission in relation to common carriers? Yes, 614. No, 278.

Mr. Low said the tendency to combination in trade agreements was universal, and that the Government is undertaking the impossible if it tries to prevent them. He expressed the belief that many trade agreements, limiting output, are in the public interest, and should be regulated rather than prohibited. He declared he saw no advantage in breaking up the United States Steel Corporation. "It never ought to have been formed," said Mr. Low, "but now that it is in operation the breaking up of the corporation will give to the large holders of stock the chance to make money at the expense of the small holders." According to the accounts in the daily papers, he asserted, when asked by Senator Cummins if he favored Governmental regulation of prices or the permission of price agreements, that it was better to sanction an agreement for a price of \$28 a ton on steel rails than to permit the Steel Corporation to put the price so low as to drive every one else out of business. In response to a question by Senator Watson, he is stated to have said that he believed the Commission should also be given authority to regulate the capitalization of companies that may be formed subsequent to the passage of the Act. He did not believe it advisable, however, to permit the Commission to interfere with the capitalization of companies which had been organized before the passage of the Act.

Coincident with the cruise of the American Bankers' Association to Panama, the First National Bank of Joliet, Ill., distributed in pamphlet form a treatise on "The Panama Canal." The essay represents extracts from newspaper articles written by George Woodruff and Frederick W. Woodruff.

In line with the report of its special committee for the furtherance of commercial education adopted by the N. Y. Chamber of Commerce on Nov. 3, the appointment of a permanent committee, which is to carry out the suggestions embodied in the report, was announced by President A. Barton Hepburn this week. The committee is made up of George P. Brett, Chairman; Mortimer L. Schiff, Thomas W. Lamont, Frank H. Scott, Lewis Nixon, Frank A. Vanderlip, Alexander G. Humphreys, R. A. C. Smith, Edward D. Adams, Edward Holbrook, Clark Williams, J. Louis Schaefer, James H. Post, Lionel Sutro, William Hull Wickham, and Sereno S. Pratt, Secretary. An item bearing on the report and its recommendation appeared in our issue of November 11.

New regulations affecting reserves to go into effect on January 1 were adopted at a meeting of the Columbus (Ohio) Clearing House Association on November 13. Since October 1909 a 25% reserve by members, of which 12% is cash, and a 20% reserve by non-members, with 10% as cash, has been called for under regulations adopted in April of that year. The new rules provide that the institutions, whether members or clearing through members, shall maintain the reserve required under the law of their incorporation, which in the case of national banks in Columbus is 25%, with 12% cash, and in the case of State banks and trust companies 15%—the cash requirement against the demand deposits of the latter being 6% and against time deposits 4%. According to the Ohio "State Journal" the clearing house is at present practically composed of national institutions, but two State institutions, the Market Exchange Bank and the Capital City Bank being included in its membership. The Association has also taken action toward instituting a system of complete examination among its members and the institutions clearing through members. In the past, it is stated, the examinations which have been conducted have extended only to the per cent of reserve carried, but the system which it is now proposed to inaugurate will be similar to that adopted in Chicago, New York, Philadelphia and other large cities. Earl S. Davis, who for some time has served as Manager and Examiner of the Columbus Clearing House, has tendered his resignation, effective on January 1, to take up other business interests.

The conclusion of the proceedings under which the National City Company has relinquished its holdings of bank stocks was made the subject of an item appearing in the New York "Evening Post" of Wednesday. Altogether, the "Post" states, bank shares having a market value of more

than \$6,000,000 have changed hands through the disposal by the company of all its holdings of bank stock since the announcement of its determination early in November to sell these interests, in view of the controversy as to the legality of the operative company, in so far as its interests in bank stocks was concerned. The divesting process, according to the "Post", was begun with the sale of shares in banks situated at Chicago, Philadelphia, Cincinnati, and in other interior cities. In its further reference to the matter, that paper has the following to say:

In nearly all cases these shares were sold to the controlling interests in the banks affected, and few of them were disposed of in the open market. By this means the National City Bank interests were able to obtain a much higher price for the stock than if the shares had been sold at auction or if they had been forced upon the general market.

It is probably true that never before in the history of banking in the United States has such a large block of shares of banks located in so many different places been disposed of in so short a time. While it was known that the shares were extremely valuable, it was also admitted that many were not of the sort that could be termed "readily marketable", as the demand for bank shares is always more or less restricted. The sale was handled by one or more of the six vice-presidents of the bank, and was regarded as being satisfactory.

By far the most interesting single transaction involved in this deal was the sale of shares of the National Bank of Commerce of this city. This stock was acquired by the National City Bank interests in March, the shares being transferred to a syndicate representing the National City Bank, the First National Bank, J. P. Morgan & Company and Kuhn, Loeb & Co. The total operation involved an outlay of \$9,000,000 by this syndicate, which purchased outright one-half the holdings of the National Bank of Commerce stock held by the Mutual Life Insurance Co. and the one-half held by the Equitable Life Assurance Society. The price was said to be about \$200 a share, so that the operation was of sufficient magnitude to excite unusual attention in banking circles all over the United States.

Although it has never been stated exactly what proportionate interest the National City Bank had in this syndicate, the feeling has prevailed that of the 45,000 shares of National Bank of Commerce stock which then changed hands, the National City interests were awarded about one-third, or some 15,000 shares. These have now been transferred back to various large stockholders of the National Bank of Commerce, and to outside interests which have never before figured prominently as owners of stock in that bank.

It was said definitely by an officer of the National City Bank that the shares had not been transferred to the original syndicate at all, and that they were not held now by any special syndicate formed to take over the holdings. Although the details relating to this transfer were not made public, it was said that the sale was an absolute one, that it had no "string attached to it", and that it was not undertaken with an idea of lodging the shares, directly or indirectly, with the interests that formerly owned them.

In reply to a question as to whether this stock had been sold back to representatives of J. P. Morgan & Co. and the First National Bank, the statement was made that those interests were not the new buyers. Asked further whether the partners in the Morgan firm and the officers in the First National Bank had figured as buyers of some of the stock, it was said that full details could not be given out, but that the sale had resulted in placing the National Bank of Commerce shares in absolutely new hands.

An officer of the bank said further that he wished to emphasize the fact that the sale was an actual one and that it had not been made so as to transfer the stock to any friendly syndicate. He added that few, if any, of the National City Bank directors were financially interested in the new ownership, or had figured as buyers of large blocks of the stock. A prominent director of the National Bank of Commerce said he understood that some of the heavy owners of its stock had purchased separate blocks from the National City Company. He intimated that representatives of the so-called Morgan interests had, as a result of this deal, somewhat increased their holdings of Commerce stock.

The National Bank of Commerce has for years been known as a "Morgan bank". Last March, at the time that the two insurance companies sold half of their holdings, the management was reorganized, an executive committee being formed with such men as Frank A. Vanderlip, President of the National City Bank; Francis L. Hine, President of the First National Bank, and Albert H. Wiggin, President of the Chase National Bank, as the new members. It was said then that the historic old bank would be operated on a sort of "community-of-interest" basis, in which the four great financial interests in Wall Street would be heavily represented. This statement was intended to mean that the bank would be operated in a friendly way by representatives of J. P. Morgan & Co., Kuhn, Loeb & Co., the First National Bank and the National City Bank. It is believed now that the National Bank of Commerce will continue to be operated on the "community-of-interest" basis, and that there will be no change whatever in the general policy of those directing its affairs.

Baron Gustave Samuel James de Rothschild, one of the heads of the banking house of Rothschild Brothers, died in Paris on Nov. 28. He was born in 1829 and was a son of Jacob James Mayer Rothschild, the head of the Rothschilds in France. He was a grandson of Mayer Anselm Rothschild, the founder of the Rothschild fortune. Baron Gustave Rothschild was honorary Counsel-General of Austria at Paris, an administrator of the Northern R.R. of France and the Paris-Lyons-Mediterranean R.R., and a Chevalier of the Legion of Honor.

The State Savings Bank of this city, on Third Avenue near 106th St., was closed by the State Banking Department yesterday. The suspension of the institution followed the arrest on Wednesday of John Pucci, its teller, in whose accounts, it is stated, irregularities have been discovered. The Banking Department has issued the following statement in the matter:

Following upon the discovery of the defalcation of teller John Pucci, Supt. George C. Van Tuyl Jr. of the State Banking Department to-day took possession of the State Savings Bank of the City of New York, located at 1027 Third Avenue. Pucci's irregularities were ascertained during the course of a periodical examination of the affairs of the bank, which was being conducted last week by State Bank Examiners Kavanaugh and Kennedy.

The bank was a comparatively new and small institution, having been incorporated in 1906. According to its semi-annual report to the State Banking Department, showing its condition on July 1 last, the bank had total resources of \$161,452. The amount due depositors on that date was \$154,745, and the surplus of the institution, figured on the market value of the securities held, was \$6,834. There were 1,257 separate accounts in the institution.

James J. Kennedy of New York City, a State bank examiner, has been designated by Supt. Van Tuyl as special deputy superintendent to assist in the liquidation of the bank.

Supt. Van Tuyl is quoted in the "Evening Post" to the following effect: "Pucci's operations were conducted in a simple manner. With him it was simply a case of accepting a deposit, say of \$100, and, while giving the depositor full credit on the passbook, he kept what he wanted, giving credit on the ledger for the remainder. This being the case, it will be necessary to check up all passbooks in order to learn just how many of these instances are chargeable to the teller."

—A. T. Campbell has been appointed Bank Examiner in charge of the Metropolitan District, with headquarters at New York, by State Superintendent of Banks George C. Van Tuyl Jr. He fills the vacancy due to the death of Melville W. Hutchins.

—Howard M. Jefferson has resigned as Vice-President and Cashier of the Bank of Coney Island, New York, to become Secretary of the Windsor Trust Co. of New York. O. M. Tilden, heretofore Secretary and Treasurer of the Windsor, will serve as Treasurer. John Markle has been elected a director of the trust company.

—John F. Dryden, founder and President of the Prudential Insurance Co. and a former Senator of the United States, died on Nov. 24 after a brief illness. Mr. Dryden's death resulted from pneumonia, which developed after an operation performed the preceding Saturday. While his name is inseparably linked with the Prudential, Mr. Dryden did not confine his attention to that particular field, but devoted his energies as well to banking and traction interests. Mr. Dryden took up the study of life insurance soon after he left Yale College in 1861, when ill-health resulting from over-study compelled him to forego the completion of his college course. Despite his inability to continue to graduation, the degrees of B.A. and M.A. were nevertheless later conferred on him by the University. It was a study of a report of Prof. Elizur Wright, Insurance Commissioner of Massachusetts, containing a criticism of the Prudential Assurance Company of London, that served, it is stated, to influence Mr. Dryden to undertake the organization of the company which has become one of the most prominent in the United States. His efforts to promote his plans were at first fruitless, but eventually he succeeded in enlisting the interest of Noah F. Blanchard, William F. Murphy, Horace Alling and Dr. Leslie D. Ward. In 1875 the company had its inception in the Widows' & Orphans' Friendly Society, the name later being changed to Prudential Friendly Society, and in 1878 becoming the Prudential Insurance Co. of America. Mr. Dryden was Secretary from 1875 to 1881, and since the latter date had been its President. The company began business in a small room in the basement of the National State Bank Building, and its development is indicated in its present extensive home offices, having a valuation of over \$15,000,000. Mr. Dryden joined in organizing the Public Service Corporation; he was also identified with the Fidelity Trust Co. of Newark, of which he was First Vice-President at the time of his death, and the Union National Bank of Newark; he was a director of the Mercantile Trust Co. of New York, the National Bank of Commerce, the United States Casualty Co., and the United States Steel Corporation. In 1896 and in 1900 Mr. Dryden served as a Presidential elector and in November 1901 he was elected United States Senator. He was Chairman of the Cleveland Monumental Fund Commission and was a member of the McKinley Memorial Commission. Mr. Dryden was seventy-two years of age, having been born on Aug. 7 1839; his birthplace was near Farmingdale, Me.

—We are in receipt of a handsome little book of 45 pages which concisely gives the complete text of the new Inheritance Tax Law of the State of New York, including the amendments of 1911. This monograph of the Inheritance Tax Law has been privately printed by the Guaranty Trust Co. of New York. The new matter in the law is indicated in italics.

—The doubling of the business of the First National Bank of Merchantville, N. J., in the last two years has necessitated an enlargement of the bank building and the installation of a new and up-to-date burglar and fire-proof vault for safe-deposit boxes.

—According to the Newark "News," control of the Essex Title Guarantee & Trust Co. of Montclair, N. J., has been acquired by the Montclair Trust Co., the Bloomfield Trust Co. of Bloomfield and the First National Bank of Montclair.

—Arthur N. Ellis has been elected First Vice-President of the City Bank of Syracuse, N. Y. He will assume the duties of the office on Jan. 1.

—Control of the National Bank of Ogdensburg, at Ogdensburg, N. Y., is reported to have been purchased by a syndicate composed of John C. Howard, Frederick T. Haskell, William H. Post, George L. Rion, D. C. Culver, David H. Lyon, Julius Frank, Dr. G. C. Madill and Charles D. Hoard. The stock acquired, according to the Syracuse "Post," represents the holdings of Judge John M. Kellogg, Vice-President of the institution, Walter G. Kellogg, and part of the holdings of President J. R. Bill. It is intimated that the price paid for the stock acquired (amounting to 60% of the capital) is over \$200,000. The capital, it is said, will be increased from \$100,000 to \$200,000, a part of the surplus and undivided profits of \$227,000 being applied as payment toward the new issue. An opportunity will be given the business men of the locality to become stockholders, a part of the new stock being offered them.

—In accordance with an announcement of a month ago, Robert P. Cregar was admitted to membership in the banking firm of Edward B. Smith & Co. on the 1st inst. At the same time George W. Norris retired from the firm.

—George H. Earle Jr. of Philadelphia is said to have made known his intention not to accept the offer made to him recently by New York interests. Mr. Earle, it is understood, was invited to take the headship of a large corporation, not a banking institution, as was at first announced.

—Edgar S. Gardner was on Tuesday elected President of the Ridge Avenue Bank of Philadelphia, to succeed Gustavus A. Muller, whose resignation, reluctantly accepted by the directors, was tendered owing to continued ill-health. Mr. Gardner had heretofore been Vice-President of the institution, and prior to his present affiliation had been connected with the Fourth Street National Bank of Philadelphia.

—The death of Thomas W. Welsh Jr., Vice-President of the Second National Bank of Pittsburgh, while on his return from the convention of the American Bankers' Association held at New Orleans last week, brought the trip to a sad termination for his many friends in the Association. Mr. Welsh was stricken with ptomaine poisoning on his way home, his condition becoming so serious as to necessitate his removal from the train near Cincinnati, at which place he died on Sunday at the Sinton Hotel. Mr. Welsh had been connected with the bank since 1876, and had been made a Vice-President in October 1904, having prior to that been Cashier. In recording the esteem in which he was held by his associates, the management of the institution also sets out in its memorial the attributes, notably his kindly and modest manner, which served to endear him to those among whom he was known.

James M. Young has been chosen to succeed Mr. Welsh in the vice-presidency of the Second National. Mr. Young will also continue as Cashier, which office he has held since 1904, when he was promoted from the assistant cashiership. Two new Assistant Cashiers were also named this week—George A. Stephenson and Harry D. Ramsay.

—It is reported that a recommendation to increase the capital of the West Side Trust & Savings Bank of Chicago from \$200,000 to \$400,000 has been made by the directors. According to the Chicago papers, one-half the new issue will be distributed as a 50% stock dividend and the remainder of the issue will be offered at par (\$100) to shareholders of record Nov. 20. The surplus and profits of the institution amounted to \$124,219 on Sept. 2.

—On account of the large growth in its business during the last few years, the trust department of The Merchants' Loan & Trust Co., Chicago, has found it necessary to move into more spacious quarters and is now established in its new offices on the floor directly above the main banking room of the institution. The new rooms are equipped with every convenience and facility for the transaction of trust business, and are luxuriously furnished, the fittings throughout being marble and mahogany. The Merchants' Loan & Trust Co. is the oldest bank in Chicago, having been in continuous operation since 1857; the trust department was organized January 1st 1901 and has since been in charge of Leon L. Loehr as Secretary and Trust Officer.

—George B. Berger was elected President of the Colorado National Bank of Denver on Nov. 22, succeeding the late Charles B. Kountze. The latter's son, Harold Kountze, who had been Assistant Cashier of the bank, has been chosen as Mr. Berger's successor in the vice-presidency. Young Mr. Kountze has also been made Chairman of the Board of Directors in his father's place. President Berger has been associated with the institution for many years, and has risen to his present post by successive steps from the office of Assistant Cashier. No other changes aside from the above have occurred in the management, Dennis Sheedy continuing as Vice-President, William B. Berger as Cashier, and T. R. Field and J. H. Kolb as Assistant Cashiers. We learn from the Denver "Republican" that Harold Kountze inherits from his father 200 shares of the capital stock of the Colorado National Bank and 100 shares of the First National Bank of Omaha, besides 32% of his father's interest in the banking firm of Kountze Bros. of New York. The remaining 68%, it is stated, is divided equally in portions of 17% to Mrs. Kountze and her three daughters, but the will contains a clause conveying to the son the privilege of acquiring the 68% interest; on this point the "Republican" says:

Mr. Kountze has specified that his holdings shall be valued as soon as shall be convenient by the members of the Kountze concern which survive him. His son will then be required to give to his mother and three sisters 40 promissory notes, equal in value, the first four of which shall fall due two years hence, the remainder in sets of four on each succeeding year, until the entire amount shall have been paid. Should Mr. Kountze fail to execute these promises, each of the interests which he would acquire by virtue of them will pass at once into the possession of the other members of the family.

—The Union Bank of Canada (head office, Quebec) has opened an office in London, England, at 51 Threadneedle Street, with F. W. Ashe as Manager. The question of transferring the head office of the institution to Winnipeg will be submitted to the stockholders for ratification at the annual meeting on the 18th inst. The city of Winnipeg is deemed more appropriate for the headquarters, inasmuch as it is located about midway between the eastern and western operations of the institution.

IMPORTS AND EXPORTS OF GOLD AND SILVER AT SAN FRANCISCO.

The Collector of Customs at San Francisco has furnished us this week with the details of the imports and exports of gold and silver through that port for the month of October, and we give them below in conjunction with the figures for preceding months, thus completing the results for the ten months of the calendar year 1911.

IMPORTS OF GOLD AND SILVER AT SAN FRANCISCO.

Months.	Gold.			Silver.		
	Coin.	Bullion.	Total.	Coin.	Bullion.	Total.
1911.						
January	\$ 1,145,400	\$ 302,472	\$ 1,447,872	\$ 50,338	\$ 72,262	\$ 122,600
February	2,018,200	184,031	2,202,231	60,340	116,336	176,676
March	15,957	278,393	294,350	54,780	99,031	153,811
April	—	233,545	233,545	71,560	64,790	136,350
May	—	199,563	199,563	46,540	35,666	82,206
June	—	398,989	398,989	21,399	101,870	123,269
July	—	199,001	199,001	63,450	71,849	135,299
August	650,000	47,293	697,293	73,730	17,834	91,564
September	747,000	170,324	917,324	21,150	49,798	70,948
October	401,350	219,752	621,102	121,150	42,746	163,896
Total 10 months	4,977,907	2,233,363	7,211,270	584,437	672,182	1,256,619
10 months 1910	1,245,974	2,008,203	3,254,177	788,851	830,476	1,619,327

EXPORTS OF GOLD AND SILVER FROM SAN FRANCISCO.

Months.	Gold.			Silver.		
	Coin.	Bullion.	Total.	Coin.	Bullion.	Total.
1911.						
January	\$ 5,000	\$ 663,000	\$ 668,000	—	—	—
February	350	—	350	—	814,000	814,000
March	—	—	—	—	1,036,000	1,036,000
April	—	—	—	—	1,036,000	1,036,000
May	—	10,000	10,000	—	734,100	734,100
June	340	—	340	202,086	762,400	964,486
July	—	—	—	17,000	738,100	755,100
August	—	—	—	—	817,400	817,400
September	200	—	200	—	1,004,372	1,004,372
October	2,000	—	2,000	—	805,584	805,584
Total 10 mos	7,890	673,000	680,890	219,086	7,807,956	8,027,042
10 months 1910	10,000	1,970,208	1,980,208	31,000	5,362,821	5,393,821

FALL RIVER MILL DIVIDENDS IN 1911.

Twenty-six cotton-manufacturing corporations located in Fall River which furnish reports of operations have declared dividends during the fourth quarter of the year. The total amount paid out is considerably less than for the corresponding period of 1910 or 1909, and smaller than in any year back to 1904. The aggregate of the amount distributed has been \$297,617, or an average of 1.07% on the capital. Ten mills passed their dividends. In 1910 the amount paid by thirty-five mills was \$440,850, or an average of 1.63%. The distribution of dividends for the fourth quarter of earlier years was 1.82% in 1909, 1.48% in 1908, 3.71% in 1907, 1.77% in 1906, 1.09% in 1905, 0.50% in 1904, 1.39% in 1903, 1.49% in 1902 and 1.24% in 1901. The details for the fourth quarter were as follows:

Fourth Quarter, 1911 and 1910.	Capital.	Dividends 1911.		Dividends 1910.		Inc. (+) or Dec. (—).
		%	Amount.	%	Amount.	
American Linen Co.	\$ 800,000	No div	Idend.	1 1/2	\$ 12,000	—12,000
Ancona Mills.	300,000	1 1/2	1,500	1 1/2	1,500	—
Arkwright Mills.	450,000	No div	Idend.	No div	Idend.	—
Barnard Mfg. Co.	500,000	No div	Idend.	1 1/2	7,425	—7,425
Barnaby Mfg. Co.	350,000	No div	Idend.	1	3,500	—3,500
Border City Mfg. Co.	1,000,000	1	10,000	1 1/2	15,000	—5,000
Bourne Mills.	1,000,000	1 1/2	15,000	1 1/2	15,000	—
Chace Mills.	1,200,000	1 1/2	18,000	2	24,000	—6,000
Conanicut Mills.	251,670	1	2,517	1 1/2	3,775	—1,258
Cornell Mills.	400,000	2	8,000	2	8,000	—
Davis Mills.	1,250,000	1 1/2	18,750	1 1/2	18,750	—
Devon Mills.	500,000	1 1/2	7,500	1 1/2	7,500	—
Flint Mills.	1,160,000	1	11,600	1 1/2	17,400	—5,800
Granite Mills.	1,000,000	1 1/2	15,000	2	20,000	—5,000
Hargraves Mills.	800,000	1 1/2	12,000	2 1/2	20,000	—8,000
King Philip Mills.	1,500,000	1 1/2	22,500	1 1/2	22,500	—
Laurel Lake Mills.	600,000	1	6,000	2	12,000	—6,000
Lincoln Mfg. Co.	700,000	1 1/2	10,500	No div	Idend.	+10,500
Luther Mfg. Co.	350,000	1 1/2	5,250	1 1/2	5,250	—
Mechanics' Mills.	750,000	1	7,500	1 1/2	11,250	—3,750
Merchants' Mfg. Co.	1,200,000	No div	Idend.	1 1/2	18,000	—18,000
Narragansett Mills.	400,000	1 1/2	6,000	2	8,000	—2,000
Osborn Mills.	750,000	1 1/2	11,250	1 1/2	11,250	—
Parker Mills.	800,000	1 1/2	12,000	2 1/2	20,000	—8,000
Pocasset Mfg. Co.	1,200,000	1 1/2	18,000	1 1/2	18,000	—
Richard Borden Mfg. Co.	1,000,000	1 1/2	15,000	2	20,000	—5,000
Sagamore Mfg. Co.	1,200,000	1 1/2	18,000	2	24,000	—6,000
Seaconnet Mills.	600,000	No div	Idend.	1	6,000	—6,000
Shove Mills.	550,000	No div	Idend.	1 1/2	8,250	—8,250
Stafford Mills.	1,000,000	No div	Idend.	1 1/2	15,000	—15,000
Stevens Mfg. Co.	700,000	1 1/2	10,500	1 1/2	10,500	—
Tecumseh Mills.	750,000	1 1/2	11,250	1 1/2	11,250	—
Troy Cot. & W. Mfg. Co.	300,000	2	6,000	3	9,000	—3,000
Union Cotton Mfg. Co.	1,200,000	1 1/2	18,000	1 1/2	18,000	—
Wampanoag Mills.	750,000	No div	Idend.	1 1/2	11,250	—11,250
Weetamoe Mills.	500,000	No div	Idend.	1 1/2	7,500	—7,500
Total	27,761,670	1.07	297,617	1.63	440,850	—143,233

b On \$100,000 preferred stock.

Combining the foregoing results with those for the first nine months, we have the following exhibit for the year. It will be observed that on a capitalization of \$27,761,670 the mills have paid out in dividends \$1,392,184 in the present year, or an average of 5.01%, against \$1,827,050, or 6.74%, in the like period of 1910.

Years 1911 and 1910.	Capital.	Dividends 1911.		Dividends 1910.		Inc. (+) or Dec. (—).
		%	Amount.	%	Amount.	
American Linen Co.	\$ 800,000	2 1/4	\$ 18,000	6	\$ 48,000	—30,000
Ancona Mills.	300,000	b6	6,000	b6	6,000	—
Arkwright Mills.	450,000	No div	Idend.	2 1/2	11,250	—11,250
Barnard Mfg. Co.	500,000	1 1/2	7,500	6	22,700	—22,700
Barnaby Mfg. Co.	350,000	3	10,500	4	14,000	—3,500
Border City Mfg. Co.	1,000,000	5	50,000	6	60,000	—10,000
Bourne Mills.	1,000,000	6	60,000	6	60,000	—
Chace Mills.	1,200,000	6 1/2	78,000	8	96,000	—18,000
Conanicut Mills.	251,670	5	12,584	6	15,100	—2,516
Cornell Mills.	400,000	8	32,000	18	72,000	—40,000
Davis Mills.	1,250,000	6	75,000	6	75,000	—
Devon Mills.	500,000	6	30,000	6	30,000	—
Flint Mills.	1,160,000	3 1/2	40,600	6	69,900	—29,300
Granite Mills.	1,000,000	6 1/2	65,000	8	80,000	—15,000
Hargraves Mills.	800,000	7	56,000	10	80,000	—24,000
King Philip Mills.	1,500,000	6	90,000	6	90,000	—
Laurel Lake Mills.	600,000	6	36,000	8	48,000	—12,000
Lincoln Mfg. Co.	700,000	6	42,000	No div	Idend.	+42,000
Luther Mfg. Co.	350,000	6	21,000	7	24,500	—3,500
Mechanics' Mills.	750,000	4 1/2	33,750	6	45,000	—11,250
Merchants' Mfg. Co.	1,200,000	2 1/2	30,000	6	72,000	—42,000
Narragansett Mills.	400,000	6 1/2	26,000	8	32,000	—6,000
Osborn Mills.	750,000	6	45,000	6	45,000	—
Parker Mills.	800,000	7	56,000	10	80,000	—24,000
Pocasset Mfg. Co.	1,200,000	6	72,000	6	72,000	—
Richard Borden Mfg. Co.	1,000,000	7	70,000	10	100,000	—30,000
Sagamore Mfg. Co.	1,200,000	7	84,000	8	96,000	—12,000
Seaconnet Mills.	600,000	No div	Idend.	6 1/2	39,000	—39,000
Shove Mills.	550,000	4	22,000	6	33,000	—11,000
Stafford Mills.	1,000,000	1 1/2	15,000	6	60,000	—45,000
Stevens Mfg. Co.	700,000	6	42,000	6	42,000	—
Tecumseh Mills.	750,000	6	45,000	6	45,000	—
Troy Cot. & W. Mfg. Co.	300,000	9 1/2	25,500	12	36,000	—10,500
Union Cotton Mfg. Co.	1,200,000	6	72,000	6	72,000	—
Wampanoag Mills.	750,000	1 1/2	11,250	6	45,000	—33,750
Weetamoe Mills.	500,000	2 1/2	12,500	6	30,000	—17,500
Total	27,761,670	5.01	1,392,184	6.85	1,827,050	—434,866

b On \$100,000 preferred stock.

The foregoing indicates that, of the thirty-six mills, twenty-five have paid out less than a year ago. To furnish a more comprehensive comparison, we append the dividend record back to 1902.

Years—	Companies		Dividends		P. C.
	Number.	Capital.	Amount.		
1911	36	\$27,761,670	\$1,392,184	5.01	
1910	35	27,105,000	1,827,050	6.74	
1909	35	26,725,000	1,976,000	7.40	
1908	34	25,125,000	1,733,067	6.90	
1907	33	24,275,000	2,691,625	11.09	
1906	32	21,825,000	1,491,100	6.83	
1905	32	20,625,000	688,550	3.34	
1904	32	21,505,000	764,950	3.56	
1903	32	21,505,000	1,217,275	5.66	
1902	35	21,411,000	1,368,400	6.47	

As showing the relation this year's dividends in the case of individual mills bear to those for a series of years, we have prepared the following, which embraces seventeen of the leading corporations.

													19 Years
	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	'01-'10	
Amer. Linen Co.	2 1/4	6	6	6	11	6	3	5 1/2	7 1/2	8	5	6.40	
BorderCityMfg.Co.	5	6	6	5 1/2	23 1/2	9 1/2	3 1/2	3 1/2	6	6	6 1/2	7.60	
Chace Mills	6 1/2	8	8	8	6 1/2	6	4 1/2	3	6	6	6	6.20	
Granite Mills	6 1/2	8	8	8	10	8 1/2	4 1/2	6	8	8	7 1/2	7.65	
King Philp Mills.	6	6	6	6	6	6	6	6	6	16	6	7.00	
Laurel Lake Mills.	6	8	8	13	11	11	5 1/2	5 1/2	7 1/2	6	4 1/2	8.00	
Mechanics' Mills.	4 1/2	6	6	6 1/2	7	4	1	3	4	4 1/2	5	4.70	
Merchants'Mfg.Co.	2 1/2	6	6	6	6 1/2	4	2	2	4	4	4	4.45	
Narragansett Mills	6 1/2	8	8	8	11 1/2	8	5	4	6	6	6 1/2	7.00	
Osborn Mills.	6	6	6	6	5 1/2	4	2	3	4	4	3 1/2	4.40	
R.BordenMfg.Co.	7	10	8	13	20	6 1/2	5 1/2	5 1/2	6	6	6 1/2	8.70	
SagamoreMfg.Co.	7	8	8	12	30	20	4 1/2	4	4 1/2	7 1/2	6	10.45	
Stafford Mills.	1 1/2	6	6	6	5 1/2	4	1	-	4	4	3	3.95	
Tecumseh Mills.	6	6	6	9	14 1/2	6	6	5 1/2	6	6	5	7.05	
TroyC.&W.M.Co.	9 1/2	12	13	21	67	20	8 1/2	10	16	22	17	20.65	
Un. Cot. Mfg. Co.	6	6	6	29 1/2	6	35 1/2	18 1/2	6	4 1/2	6	6 1/2	12.45	
Wampanoag Mills	1 1/2	6	5	4	4	2	-	2	3	4	2 1/2	3.25	

Monetary & Commercial English News

English Financial Markets—Per Cable.

The daily closing quotations for securities, &c., at London, as reported by cable, have been as follows the past week:

Week ending Dec. 1.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Silver, per oz. d.	25 1/4	25 11-16	25 11-16	25 1/4	25 9-16	25 9-16
Consols, 2 1/2 per cents.	78 5-16	78 9-16	78 7-16	78 1/4	78 1/4	77 3/4
For account.	78 3/4	78 9-16	78 7-16	78 1/4	78 1/4	77 3/4
French rentes (in Paris) fr.	95.40	95.52 1/4	95.52 1/4	95.47 1/4	95.67 1/4	95.70
Ama/gamated Copper Co.	64 1/4	65 1/4	65 1/4	65 1/4	64 1/4	65
American Smelt. & Ref. Co.	75 1/4	75 1/4	76 1/4	76	74 1/4	74 1/4
b Anaconda Mining Co.	8 1/4	8 1/4	8	8	7 3/4	7 3/4
Atch. Topeka & Santa Fe.	110 1/4	110	109 1/4	109 1/4	109 1/4	109 1/4
Preferred	106 1/4	106 1/4	106 1/4	106 1/4	107	106 1/4
Baltimore & Ohio.	106	105 1/4	106	106	105 1/4	105 1/4
Preferred	92	92	92	92	92	92
Canadian Pacific.	247	248 1/4	248 1/4	246 1/4	246 1/4	246 1/4
Chesapeake & Ohio.	77 1/4	77 1/4	77 1/4	77 1/4	76 1/4	76 1/4
Chicago Great Western.	21 1/4	21	21	20 1/4	21	20 1/4
Chicago Milw. & St. Paul.	114	113 1/4	113 1/4	114 1/4	113 1/4	113
Denver & Rio Grande.	24 1/4	24 1/4	24 1/4	24 1/4	23 1/4	23 1/4
Preferred.	49 1/4	49 1/4	50	50	49 1/4	49 1/4
Erie.	33 1/4	33 1/4	32 1/4	32 1/4	32 1/4	32 1/4
First preferred.	55	54 1/4	54	53 1/4	53 1/4	53 1/4
Second preferred.	45 1/4	45 1/4	45 1/4	46	44	44 1/4
Illinois Central.	148 1/4	149	148 1/4	148	147 1/4	147 1/4
Louisville & Nashville.	163	163 1/4	162	162 1/4	161	160 1/4
Missouri Kansas & Texas.	32 1/4	32 1/4	32 1/4	32 1/4	32	32
Preferred.	69	69	69	69	69	69
Missouri Pacific.	41	41	41	40 1/4	40	40
Nat. RR. of Mex., 1st pref.	69	69	69	69	69	69
Second preferred.	34 1/4	34 1/4	35 1/4	35 1/4	35 1/4	35 1/4
N. Y. Central & Hud. River.	111	111	110 1/4	110 1/4	108 1/4	108 1/4
N. Y. Ontario & Western.	42 1/4	42 1/4	42 1/4	42	41 1/4	41 1/4
Norfolk & Western.	113 1/4	113 1/4	113 1/4	112	111 1/4	111 1/4
Preferred.	93	93	93	93	93	93
Northern Pacific.	123	122 1/4	122 1/4	122 1/4	121	121
a Pennsylvania.	62 1/4	62 1/4	62 1/4	62 1/4	62 1/4	62 1/4
a Reading.	78 1/4	78 1/4	78 1/4	77 1/4	77 1/4	77
a First preferred.	46 1/4	46 1/4	46 1/4	46 1/4	46 1/4	46 1/4
a Second preferred.	49	49	49	49	49	49
Rock Island.	27 1/4	27 1/4	27 1/4	27 1/4	28 1/4	28 1/4
Southern Pacific.	117	117 1/4	116 1/4	115 1/4	114 1/4	114 1/4
Southern Railway.	31 1/4	31 1/4	31 1/4	31 1/4	31	31
Preferred.	75	75	75	74 1/4	73 1/4	73 1/4
Union Pacific.	181 1/4	182 1/4	180 1/4	179 1/4	178 1/4	177 1/4
Preferred.	97	97	96 1/4	96	95	95
U. S. Steel Corporation.	65 1/4	67	65 1/4	64 1/4	64 1/4	64 1/4
Preferred.	112 1/4	112 1/4	112 1/4	112 1/4	112 1/4	112 1/4
Wabash.	11 1/4	11	11	11	10 1/4	10 1/4
Preferred.	22	22	22	21 1/4	21 1/4	21 1/4
Extended 4s.	54 1/4	54	54	53 1/4	53 1/4	53 1/4

a Price per share. b £ sterling. c Ex-dividend.

Commercial and Miscellaneous News

National Banks.—The following information regarding national banks is from the office of the Comptroller of the Currency, Treasury Department:

CHARTER ISSUED TO NATIONAL BANK NOV. 21.

10,103—"Peninsula National Bank of St. Johns," Ore. Capital, \$50,000. Robert Treat Platt, Pres.; F. C. Knapp, Vice-Pres.; J. N. Edliefsen, Cashier; S. L. Dobie, Assistant Cashier. (Conversion of the Peninsula Bank of St. Johns.)

DIVIDENDS.

The following shows all the dividends announced for the future by large or important corporations:

Dividends announced this week are printed in italics.

Name of Company.	Per Cent.	When Payable.	Books Closed, Days Inclusive.
Railroads (Steam).			
Alabama Great Southern, ordinary	2 1/4	Dec. 21	Holders of rec. Dec. 2a
Preferred	3	Feb. 24	Holders of rec. Feb. 3a
Albany & Susquehanna	4 1/4	Jan. 2	Holders of rec. Dec. 15a
Atlantic Coast Line Co. (Conn.) (quar.)	2 1/4	Dec. 9	Nov. 29 to Dec. 8
Atlantic Coast Line R.R., common	3 1/4	Jan. 10	Dec. 16 to Jan. 10
Boston & Albany (quar.)	2 1/4	Dec. 30	Holders of rec. Nov. 29a
Boston & Lowell	4	Jan. 2	Nov. 27 to Dec. 2
Boston & Maine, common (quar.)	1	Jan. 2	Holders of rec. Dec. 1a
Canadian Pacific, com. (quar.) (No. 62)	2 1/4	Jan. 2	Holders of rec. Dec. 1a
Chesapeake & Ohio (quar.) (No. 21)	1 1/4	Dec. 30	Holders of rec. Dec. 8a
Chestnut Hill (quar.)	1 1/4	Dec. 4	Nov. 21 to Dec. 3
Chic. & East. Ills., pref. (quar.)	1 1/4	Jan. 2	Holders of rec. Dec. 16a
Chicago & North Western, com. (quar.)	1 1/4	Jan. 2	Holders of rec. Dec. 1a
Preferred (quar.)	2	Jan. 2	Holders of rec. Dec. 1a
Cin. New Or. & Texas Pacific, common	3	Dec. 15	Holders of rec. Dec. 2a
Common (extra)	2 1/4	Dec. 15	Holders of rec. Dec. 2a
Delaware & Hudson Co. (quar.)	2 1/4	Dec. 20	Holders of rec. Nov. 27a
Delaware Lackawanna & Western (extra)	10	Dec. 22	Dec. 2 to Dec. 17
Detroit & Mackinac, common and pref.	2 1/4	Jan. 2	Dec. 16 to Jan. 3d
Erie & Pittsburgh (quar.)	1 1/4	Dec. 10	Holders of rec. Nov. 30a
Greene RR.	3	Dec. 19	Holders of rec. Dec. 14a
Hocking Valley	3	Dec. 30	Holders of rec. Dec. 8a
Kanawha & Michigan	2 1/4	Dec. 30	Dec. 16 to Dec. 31
Morris & Essex, guaranteed.	3 1/4	Jan. 1	Holders of rec. Dec. 9a
N. Y. Lackawanna & West., quar. (quar.)	1 1/4	Jan. 1	Holders of rec. Dec. 11a
N. Y. New Haven & Hartford (quar.)	2	Dec. 30	Holders of rec. Dec. 9a
Norfolk & Western, common (quar.)	1 1/4	Dec. 18	Holders of rec. Nov. 30a
Phila. Germantown & Norristown (quar.)	3	Dec. 4	Nov. 21 to Dec. 3
Reading Company, second preferred	1	Jan. 11	Holders of rec. Dec. 26a
Rensselaer & Saratoga	4	Jan. 2	Holders of rec. Dec. 15a
St. Louis & San Francisco—			
C. & E. Ills., com. stk. tr. cfs.	5	Jan. 2	Dec. 17 to Jan. 2
Preferred stock tr. cfs. (quar.)	1 1/4	Jan. 2	Dec. 17 to Jan. 2
K. C. Ft. S. & M. pf. stk. tr. cfs. (qu.)	1	Jan. 2	Dec. 17 to Jan. 2
Southern Pacific (quar.) (No. 21)	1 1/4	Jan. 2	Holders of rec. Dec. 1a
Union Pacific, common (quar.)	2 1/4	Jan. 2	Holders of rec. Dec. 1a
Valley R.R. (N. Y.)	2 1/4	Jan. 1	Holders of rec. Dec. 10a
Street and Electric Railways.			
American Railways (quar.)	75c.	Dec. 15	Holders of rec. Nov. 30a
Brooklyn Rapid Transit (quar.)	1 1/4	Jan. 2	Holders of rec. Dec. 9a
Brooklyn Union Elevated, common	2 1/4	Dec. 7	Holders of rec. Nov. 29
Preferred	2 1/4	Dec. 31	Holders of rec. Dec. 22
Chippewa Valley Ry. L. & P., pf. (qu.)	1 1/4	Nov. 30	Holders of rec. Nov. 29
Cleveland Ry. (quar.)	1 1/4	Jan. 1	Holders of rec. Dec. 16a
Continental Pass. Ry., Phila.	83	Dec. 30	Holders of rec. Nov. 29
Indianapolis Street Ry.	3	Jan. 1	Dec. 23 to Jan. 1
Massachusetts Electric Cos., pref.	82	Jan. 1	Holders of rec. Dec. 2
Norfolk Ry. & Light.	2 1/4	Dec. 8	Holders of rec. Nov. 30a
Northern Ohio Tr. & Lt., com. (quar.)	1 1/4	Dec. 15	Holders of rec. Nov. 30a
Common (extra)	1 1/4	Dec. 15	Holders of rec. Nov. 30a
Preferred (quar.)	1 1/4	Jan. 1	Holders of rec. Dec. 15a
Pacific Gas & Electric, common	(7)	-----	Holders of rec. Nov. 22
Sao Paulo Tram. L. & P. Ltd., (qu.) (No. 39)	2 1/4	Jan. 2	Holders of rec. Dec. 11
Second & Third Sts. Pass. Ry., Phila.	\$3	Jan. 2	Dec. 5 to Jan. 4
United Rys. & Elec., Balt., pref.	92	Dec. 1	Nov. 30 to Dec. 1
Virginia Ry. & Power, preferred	2 1/4	Jan. 8	Holders of rec. Dec. 16
West Penn Traction, common (quar.)	1	Dec. 15	Dec. 8 to Dec. 15

Name of Company.	Per Cent.	When Payable.	Books Closed, Days Inclusive.
Miscellaneous.			
Am. Car & Fdy., com. (qu.) (No. 37)	3 1/4	Jan. 1	Holders of rec. Dec. 11a
Preferred (quar.) (No. 51)	1 1/4	Jan. 1	Holders of rec. Dec. 11a
American Express (quar.)	\$3	Jan. 2	Holders of rec. Nov. 29a
American Radiator, common (quar.)	2	Dec. 30	Dec. 23 to Jan. 1
American Snuff, common (quar.)	5	Jan. 2	Holders of rec. Dec. 1a
Common (extra)	2	Jan. 2	Holders of rec. Dec. 1a
Preferred (quar.)	1 1/4	Jan. 2	Holders of rec. Dec. 15a
Amer. Sugar Ref., com. & pref. (quar.)	1 1/4	Jan. 2	Holders of rec. Dec. 1a
American Thread, preferred	2 1/4	Jan. 1	Nov. 16 to Nov. 30
American Tobacco, pref. (quar.)	1 1/4	Jan. 2	Dec. 2 to Jan. 1
Blackstone Valley Gas & El., pref. (quar.)	1 1/4	Dec. 1	Holders of rec. Nov. 29
Borden's Cond. Milk, pref. (qu.) (No. 40)	1 1/4	Dec. 15	Dec. 6 to Dec. 15
Brooklyn Union Gas (quar.) (No. 43)	1 1/4	Jan. 2	Dec. 17 to Jan. 1
Extra	1	Jan. 2	Dec. 17 to Jan. 1
Calumet & Hecla Mining (quar.)	\$6	Dec. 20	Holders of rec. Nov. 24a
Cambria Fuel (Wyoming), pref.	3	Dec. 1	-----
Canadian Car & Foundry, Ltd., common	4	Jan. 15	Holders of rec. Nov. 15a
Canadian Gen. Elec., Ltd., com. (quar.)	1 1/4	Jan. 1	Dec. 16 to Dec. 31
Celluloid Co. (quar.)	1 1/4	Dec. 30	Holders of rec. Dec. 15a
Extra	2	Dec. 30	Holders of rec. Dec. 15a
Central Leather, pref. (quar.)	1 1/4	Jan. 2	Holders of rec. Dec. 11a
Chicago Telephone (quar.)	2	Dec. 30	Holders of rec. Dec. 20a
Childs Co., com. (quar.)	2 1/4	Dec. 11	Dec. 5 to Dec. 11
Preferred (quar.)	1 1/4	Dec. 11	Dec. 5 to Dec. 11
City & Suburban Homes	2	Dec. 4	Holders of rec. Dec. 1
Commonwealth Water (N. Y.), pref.	2 1/4	Jan. 1	-----
Consolidated Gas, New York (quar.)	1 1/4	Dec. 15	Holders of rec. Nov. 15a
Cres. Carpet	3	Dec. 15	Holders of rec. Nov. 30a
Crucible Steel, pref. (quar.) (No. 33)	1 1/4	Dec. 22	Holders of rec. Dec. 12a
Cuban-American Sugar, preferred (quar.)	1 1/4	Jan. 2	Holders of rec. Dec. 15a
Diamond Match (quar.)	1 1/4	Dec. 15	Holders of rec. Nov. 29a
du Pont (E. I.) de Nemours Pow. com. (qu.)	2	Dec. 15	Dec. 6 to Dec. 15
Common (extra)	1	Dec. 15	Dec. 6 to Dec. 15
Preferred (quar.)	1 1/4	Jan. 25	Jan. 16 to Jan. 25
du Pont Internat. Powd., pref. (quar.)	1 1/4	Jan. 2	Holders of rec. Dec. 20a
Preferred (extra)	1 1/4	Jan. 2	Holders of rec. Dec. 20a
Eastman Kodak, common (quar.)	2 1/4	Jan. 2	Holders of rec. Nov. 29a
Preferred (quar.)	1 1/4	Jan. 2	Holders of rec. Nov. 29a
Equitable Illum. Gas Light, Phila., com.	6	Dec. 15	Holders of rec. Dec. 8a
Preferred	3	Dec. 15	Holders of rec. Dec. 8a
Federal Mining & Smelting, pref. (quar.)	1 1/4	Dec. 15	Holders of rec. Nov. 24a
General Chemical, common (extra)	5 c	Feb. 1	Holders of rec. Dec. 30a
Preferred (quar.)	1 1/4	Jan. 2	Holders of rec. Dec. 19a
General Chemical of California, 1st pf. (qu.)	1 1/4	Jan. 2	Holders of rec. Dec. 19
General Electric (quar.)	2	Jan. 15	Holders of rec. Dec. 2a
Great Lakes Towing, preferred (quar.)	1 1/4	Jan. 2	Holders of rec. Dec. 15a
Guggenheim Exploration (quar.) (No. 36)	2 1/4	Jan. 2	Dec. 16 to Jan. 2
Ingersoll-Rand, preferred	3	Jan. 1	Holders of rec. Dec. 12a
Internat. Smokeless P. & Ch., com. (qu.)	3	Jan. 2	Holders of rec. Dec. 20a
Common (extra)	3	Jan. 2	Holders of rec. Dec. 20a
Laclede Gas Light, com. (quar.)	1 1/4	Dec. 15	Dec. 2 to Dec. 15
Preferred	2 1/4	Dec. 15	Dec. 2 to Dec. 15
Mackay Companies, com. (qu.) (No. 26)	1 1/4	Jan. 2	Holders of rec. Dec. 9a
Preferred (quar.) (No. 32)	1	Jan. 2	Holders of rec. Dec. 9a
Manufacturers' Light & Heat, Pittsburgh	3	Dec. 20	-----
Mergenthaler Linotype (quar.)	2 1/4	Dec. 30	Holders of rec. Dec. 9a
Extra	3 1/4	Dec. 30	Holders of rec. Dec. 9a
Mich. State Telephone, pref. (quar.)	1 1/4	Feb. 1	Jan. 14 to Feb. 1
Muskogee Gas & Elec., pref. (quar.)	1 1/4	Dec. 15	Holders of rec. Nov. 29a
National Biscuit, com. (quar.) (No. 54)	1 1/4	Jan. 15	Holders of rec. Dec. 28a
National Lead, common (quar.)	3	Dec. 30	Dec. 9 to Dec. 13
Preferred (quar.)	1 1/4	Dec. 15	Nov. 18 to Nov. 21
Nevada Consolidated Copper (quar.)	37 1/4	Dec. 30	Dec. 9 to Dec. 11
New England Telep. & Telep. (quar.)	1 1/4	Dec. 30	Holders of rec. Dec. 15a
Niles-Bement-Pond, common (quar.)	1 1/4	Dec. 20	Dec. 10 to Dec. 20
North American Company (quar.)	1 1/4	Jan. 2	Holders of rec. Dec. 15a
Philadelphia Electric (quar.)	1 1/4	Dec. 15	Holders of rec. Nov. 21a
Quaker Oats, common (quar.)	2 1/4	Jan. 15	Holders of rec. Jan. 2a
Preferred (quar.)	1 1/4	Dec. 29	Holders of rec. Feb. 1a
Quincy Mining (quar.)	\$1	Dec. 23	Holders of rec. Dec. 1a
Railway Steel-Spring, pref. (quar.)	1 1/4	Dec. 20	Dec. 7 to Dec. 20
Realty Associates (No. 18)	3	Jan. 15	Holders of rec. Jan. 5
Republic Iron & Steel, pf. (qu.) (No. 40)	1 1/4	Jan. 1	Holders of rec. Dec. 15a
Safety Car Heating & Lighting (quar.)	2	Dec. 22	Holders of rec. Dec. 8a
Extra	1	Dec. 22	Holders of rec. Dec. 8a
Sears, Roebuck & Co., pref. (quar.)	1 1/4	Jan. 1	Holders of rec. Dec. 15a
Standard Gas & Electric, pref. (quar.)	2	Dec. 15	Holders of rec. Nov. 29a
Standard Motor Construction	2	Dec. 15	Dec. 2 to Dec. 14
Standard Oil of New Jersey	\$7	Dec. 15	Holders of rec. Nov. 17
Standard Oil of New York	\$20	Dec. 15	Holders of rec. Dec. 5
Swift & Co. (quar.) (No. 101)	1 1/4	Jan. 1	Dec. 17 to Jan. 4
United Fruit (extra)	10	Dec. 19	Holders of rec. Dec. 4a
U. S. Steel Corp., com. (quar.) (No. 32)	1 1/4	Dec. 30	Dec. 2 to Dec. 12
Utah Copper (quar.) (No. 14)	75c.	Dec. 30	Dec. 9 to Dec. 12
Woman's Hotel Co. (No. 9)	2 1/4	Dec. 15	Holders of rec. Dec. 1
Yukon Gold Co. (quar.) (No. 10)	7 1/4	Dec. 30	Dec. 13 to Jan. 8

a Transfer books not closed for this dividend. b Less income tax. c Correction. e Payable in common stock. f Payable in common stock in the proportion of one-half share for each whole share. g Less State, city and county taxes.

Canadian Bank Clearings.—The clearings for the week ending Nov. 25 at Canadian cities, in comparison with the same week of 1910, shows an increase in the aggregate of 25.9%.

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Auction Sales.—Among other securities, the following, *not usually dealt in at the Stock Exchanges*, were recently sold at auction in New York, Boston and Philadelphia:

By Messrs. Adrian H. Muller & Sons, New York:

Shares.	Per cent.	Bonds.	Per cent.
10 Washington Trust Co.	371	\$2,000 Hebrew Benev. & Orph.	
87 1/2 Commonwealth Trust Co.	125	Asylum 3s, 1913; J. & J.	77 1/2 & Int.

By Messrs. R. L. Day & Co., Boston:

Shares.	\$ per sh.	Shares.	\$ per sh.
10 Merchants' Nat. Bank.	282	1 Great Falls Mfg. Co., ex-div.	188 1/2
32 Concord (Mass.) Nat. Bank. 211-215 1/4		3 Con. & Montreal RR., class 1.	160 1/2
5 Bay State Cotton Corp., 1st pf.	105	1 Con. & Montreal RR., class 4.	161 1/2
10 Bay State Cotton Corp., 2d pf.	100	10 Massachusetts Lighting Cos.	123 1/2
8 Merrimack Mfg. Co., pref.	100 1/2	45 Bridgman & Smith Co.	35
1 Pacific Mills (\$1,000 par), ex-div. 3,700		10 W. L. Douglas Shoe Co., pref.	92
2 Shaw Stocking Co.	100	1 Boston Library Society.	25
24 Arlington Mills.	121	1 Cambridge Gas Light Co.	277
3 Pepperell Mfg. Co.	280 1/2	10 Hamilton Mfg. Co.	80

By Messrs. Francis Henshaw & Co., Boston:

Shares.	\$ per sh.	Shares.	\$ per sh.
6 Lawrence Mfg. Co., ex-div.	173 1/2	22 Pemigewasset Valley RR. Co.	141
6 Mass. Cotton Mills.	114 1/2	Bonds.	Per cent.
3,000 Sawyer Down Draft Mfg. Co.,		\$1,000 Ports. Gt. Falls & Conway	
\$10 each.	10c.	RR. 1st 4 1/2s, 1937.	105

By Messrs. Barnes & Lofland, Philadelphia:

Shares.	\$ per sh.	Shares.	\$ per sh.
1 Amer. Acad. of Music.	225 1/2-227	25 People's Nat. Fire Ins. Co.,	
4 American Bank, \$50 each.	70	\$25 each.	30
5 Amer. Pipe & Construction Co.	94	25 Phila. Ger. & Nor. RR., \$50 ea	150
50 Ann Arbor RR. Co., pref.	56	10 Phila. City Pass. Ry.	156 1/2
15 Buffalo & Lake Erie Trac., com	5	50 Phila. Bourse, pref., \$25 each.	10
25 Central Trust & Sav. Co., \$50 ea.	80 1/2	16 Phila. Bourse, com., \$50 ea. 3 1/2-3 3/4	
8 Central National Bank.	424	89 Phila. Warehouse Co.	158 1/2
2 Citizens' Pass.	295	10 Shore Elec. Light, H. & P. Co.,	
6 Farmers' & Mech. Nat. Bank.	143	\$10 each.	\$1 lot
20 First Nat. Bank, Phila.	230 1/2	150 Standard Ice Mfg. Co., pref.	50
12 Fidelity Trust Co.	1011	200 Sterling Graphite Co.	\$1 lot
4 Finance Co. of Penna., 1st pf.	110	25 Textile National Bank.	125
10 Franklin Fire Ins. Co., \$25 ea.	55	20 Union Passenger Ry. Co.	195
10 Franklin National Bank.	448	72 United States Loan Soc., \$10 ea	15
3 Fkd. & Swk. Pass.	379	40 West End Trust Co.	112 1/2
2 Girard Trust Co.	996 1/2	Bonds.	Per cent.
3 Inter Lumber & Develop. Co.,		\$5,000 Wilkes-Barre & Hazleton	
\$300 each.	226	RR. terminal 5s, 1945.	65
1 John B. Stetson Co., common.	532 1/2	\$15,000 Standard Ice Mfg. Co. 1st	
15 Kensington Nat. Bank, \$50 ea.	102 1/2	5s, 1929.	60
10 Logan Trust Co.	138-138 1/2	\$6,500 Fkd. Tac. & Holmesburg	
7 Manufacturers' Nat. Bank.	125	St. Ry. 1st 5s, 1940.	96 1/2
2 Nat. Bank of Nor. Liberties.	250	\$8,000 Buff. & Lake Erie Trac.	
6 Overbrook Steam Heat Co.,		5s, 1936.	68 1/2
\$50 each.	81	\$3,000 Ill. Cent. Trac. Co. 5s, 1933.	93 1/2
13 Penna. Co. for Insur. on Lives,		\$4,000 Cons. Gas. Co. of Pitts. 5s, '48	91 1/2
&c.	602-603	\$5,000 Canton (O.) Elec. Co. 5s, '37	94 1/2
25 People's Trust Co., \$50 each.	50	\$1,100 Spgfd. Water Co. 5s, 1928.	99 1/2-100
		\$1,200 No. Spgfd. Wat. Co. 5s, '28.	99 1/2-100

By Messrs. Samuel T. Freeman & Co., Philadelphia:

Shares.	\$ per sh.	Bonds.	Per cent.
20 Pelham Trust Co.	130	\$1,000 No. Spgfd. Wat. 1st 5s, '28.	100
15 United Firemen's Ins. Co., \$10 ea.	15 1/2	\$1,000 Spgfd. Wat. Co. cons. 5s, '26.	100

Statement of New York City Clearing-House Banks and Trust Companies.—The detailed statement below shows the condition of the New York City Clearing-House members for the week ending Nov. 25. The figures for the separate banks are the averages of the daily results. In the case of the totals, actual figures at the end of the week are also given.

For definitions and rules under which the various items are made up, see "Chronicle," V. 85, p. 836, in the case of the banks, and V. 92, p. 1607, in the case of the trust companies.

DETAILED RETURNS OF BANKS.

We omit two ciphers (00) in all cases.

Banks.	Capital.	Surplus.	Loans.	Specie.	Legals.	Net Depos.	Re-
00s omitted.	Average.	Average.	Average.	Average.	Average.	ts, Aver.	serve.
	\$	\$	\$	\$	\$	\$	%
Bank of N. Y.	2,000.0	3,657.6	21,369.0	3,739.0	1,190.0	19,277.0	25.5
Manhattan Co.	2,050.0	4,496.8	33,050.0	8,864.0	1,486.0	38,200.0	27.0
Merchants' ..	2,000.0	1,887.9	20,262.0	3,498.0	1,628.0	20,423.0	25.0
Mech. & Metals	6,000.0	8,317.8	53,795.0	11,270.0	1,706.0	51,385.0	25.2
America	1,500.0	6,039.6	27,478.0	4,887.0	2,117.0	27,874.0	25.0
City	25,000.0	27,475.2	185,002.0	39,067.0	6,633.0	178,750.0	25.5
Chemical	3,000.0	6,799.9	29,530.0	5,286.0	1,736.0	27,047.0	25.9
Merchants' Ex.	600.0	574.6	6,597.0	1,474.0	212.0	6,604.0	25.5
Gallatin	1,000.0	2,538.9	8,309.0	1,334.0	502.0	7,167.0	25.6
Butch. & Drov.	300.0	156.7	2,354.0	719.0	75.0	2,498.0	31.7
Greenwich	500.0	905.5	8,482.0	2,271.0	220.0	9,642.0	25.8
Am. Exchange	5,000.0	4,624.3	40,808.0	6,624.0	3,833.0	39,967.0	26.1
Commerce	25,000.0	15,532.1	142,302.0	23,260.0	6,251.0	117,414.0	25.1
Mercantile	3,000.0	2,771.7	13,435.0	1,550.0	1,063.0	10,007.0	26.1
Pacific	500.0	940.4	3,978.0	539.0	545.0	3,673.0	29.5
Chat. & Phen.	2,250.0	1,160.3	16,166.0	2,717.0	1,280.0	15,943.0	25.1
People's	200.0	473.3	1,936.0	475.0	148.0	2,054.0	30.2
Hanover	3,000.0	12,744.2	67,565.0	14,528.0	5,010.0	74,792.0	26.1
Citizens' Cent.	2,550.0	1,882.8	22,143.0	5,068.0	628.0	21,466.0	26.5
Nassau	500.0	590.5	9,636.0	1,829.0	912.0	11,146.0	24.5
Market & Fult.	1,000.0	1,799.5	9,028.0	1,408.0	1,026.0	9,009.0	27.0
Metropolitan ..	2,000.0	1,605.5	12,012.0	2,981.0	237.0	12,447.0	25.8
Corn Exchange	3,000.0	5,555.0	45,483.0	7,943.0	5,544.0	53,608.0	25.1
Imp. & Trad.	1,500.0	7,580.4	26,566.0	4,242.0	2,191.0	24,433.0	26.2
Park	5,000.0	12,947.5	84,403.0	21,176.0	1,187.0	87,939.0	25.4
East River	250.0	98.2	1,479.0	372.0	105.0	1,618.0	29.4
Fourth	5,000.0	5,783.4	32,920.0	7,629.0	1,900.0	35,678.0	26.7
Second	1,000.0	2,290.2	13,865.0	3,283.0	121.0	13,454.0	25.3
First	10,000.0	21,189.3	118,082.0	23,035.0	4,303.0	110,549.0	24.7
Irving Exch.	2,000.0	1,904.1	24,049.0	5,081.0	1,789.0	26,101.0	25.3
Bowery	250.0	809.7	3,447.0	842.0	62.0	3,614.0	25.0
N. Y. County ..	500.0	1,684.1	8,343.0	1,433.0	717.0	8,383.0	25.6
German-Amer.	750.0	710.5	3,904.0	800.0	231.0	3,795.0	27.1
Chase	5,000.0	8,444.5	90,897.0	20,018.0	4,788.0	101,040.0	24.5
Fifth Avenue ..	100.0	2,089.2	12,712.0	2,376.0	1,211.0	14,260.0	25.1
German Exch.	200.0	872.7	3,500.0	427.0	499.0	3,456.0	26.7
Germania	200.0	1,047.1	5,509.0	1,477.0	153.0	6,444.0	25.2
Lincoln	1,000.0	1,667.6	15,223.0	2,858.0	1,252.0	16,181.0	25.3
Garfield	1,000.0	1,234.9	8,464.0	1,613.0	543.0	8,464.0	25.4
Fifth	250.0	517.4	3,517.0	399.0	579.0	3,656.0	26.4
Metropolis	1,000.0	2,154.4	12,547.0	1,657.0	1,635.0	12,818.0	25.6
West Side	200.0	1,017.1	4,234.0	990.0	249.0	4,929.0	25.1
Seaboard	1,000.0	2,082.1	23,878.0	5,123.0	2,422.0	28,327.0	26.6
Liberty	1,000.0	2,709.5	17,189.0	3,327.0	965.0	17,188.0	25.0
N. Y. Prod. Ex	1,000.0	820.6	8,146.0	2,079.0	493.0	9,716.0	26.4
State	1,000.0	878.9	16,197.0	4,975.0	355.0	20,840.0	25.5
Security	1,000.0	503.2	10,296.0	2,432.0	1,223.0	14,155.0	25.8
Coal & Iron	1,000.0	446.5	6,160.0	1,024.0	560.0	6,297.0	25.1
Union Exch.	1,000.0	952.9	9,390.0	1,249.0	1,178.0	9,487.0	25.5
Nassau, Bklyn	1,000.0	1,063.2	7,480.0	1,503.0	284.0	7,098.0	25.1
Totals, Ave.	135,150.0	196,029.3	1,354,012.0	272,751.0	74,977.0	1,360,313.0	25.5
Actual figures Nov. 25.			1,344,580.0	270,933.0	75,700.0	1,350,724.0	25.6

Circulation.—On the basis of averages, circulation of national banks in the Clearing House amounted to \$50,668,000, and according to actual figures was \$50,804,000.

DETAILED RETURNS OF TRUST COMPANIES.

Trust Cos.	Surplus.	Loans.	Specie.	Legals.	On Dep.	Net	Reserve.
00s omitted.	Average.	Average.	Average.	Average.	with C.H. Banks.	Deposits.	%
	\$	\$	\$	\$	\$	\$	%
Manhattan	2,155.8	20,766.0	2,267.0	153.0	1,940.0	15,930.0	15.1+10.8
Brooklyn	2,400.7	18,138.0	1,629.0	406.0	2,588.0	12,679.0	16.0+16.8
Bankers'	13,142.7	126,860.0	13,274.0	625.0	10,346.0	92,486.0	15.0+10.0
U. S. Mtg. & T.	4,476.1	35,101.0	3,801.0	745.0	6,552.0	26,731.0	17.0+19.4
Astor	1,032.7	16,124.0	1,934.0	33.0	1,412.0	12,806.0	15.3+ 9.8
Title Guar. & T.	11,439.4	35,445.0	1,882.0	1,343.0	2,218.0	20,912.0	15.4+ 9.4
Guaranty	22,697.7	145,759.0	14,685.0	1,318.0	15,811.0	105,543.0	15.1+13.5
Fidelity	1,274.8	6,804.0	484.0	232.0	647.0	4,724.0	15.1+11.1
Lawyers' T. & T.	6,176.4	20,250.0	1,534.0	914.0	1,535.0	15,539.0	15.7+ 9.0
Columbia	1,824.1	16,380.0	1,491.0	90.0	1,274.0	10,496.0	15.0+10.8
Standard	1,432.5	15,526.0	1,991.0	42.0	1,947.0	13,310.0	15.2+12.7
People's	1,681.1	16,268.0	1,940.0	394.0	2,145.0	15,276.0	15.2+12.2
New York	11,532.6	44,704.0	4,434.0	115.0	3,270.0	28,140.0	16.1+10.4
Franklin	1,357.3	10,607.0	1,135.0	348.0	1,393.0	9,453.0	15.6+12.7
Lincoln	551.0	9,027.0	978.0	227.0	1,032.0	8,085.0	15.0+11.3
Metropolitan	6,096.8	24,332.0	2,516.0	13.0	2,510.0	16,202.0	15.6+13.4
Totals, Ave.	89,271.7	562,091.0	55,975.0	6,998.0	56,620.0	408,312.0	15.4+12.1
Actual figures Nov. 25		563,697.0	54,262.0	7,261.0	54,613.0	410,018.0	15.0+11.7

The capital of the trust companies is as follows: Manhattan, \$1,000,000; Brooklyn, \$1,000,000; Bankers, \$5,000,000; U. S. Mtg. & Trust, \$2,000,000; Astor, \$1,250,000; Title Guaranty & Trust, \$4,375,000; Guaranty, \$5,000,000; Fidelity, \$1,000,000; Lawyers' Title Ins. & Trust, \$4,000,000; Columbia, \$1,000,000; Standard, \$1,000,000; People's, \$1,000,000; New York, \$3,000,000; Franklin, \$1,000,000; Lincoln, \$1,000,000; Metropolitan, \$2,000,000; total, \$34,625,000.

SUMMARY COVERING BOTH BANKS AND TRUST COMPANIES.

Week ending Nov. 25	Capital.	Surplus.	Loans.	Specie.	Legal Tenders.	On Dep. with C.H. Banks.	Net Deposits.
	\$	\$	\$	\$	\$	\$	\$
Averages.	135,150.0	196,029.3	1,354,012.0	272,751.0	74,977.0	—	1,360,313.0
Banks	135,150.0	196,029.3	1,354,012.0	272,751.0	74,977.0	—	1,360,313.0
Trust cos.	34,625.0	89,271.7	562,091.0	55,975.0	6,998.0	56,620.0	408,312.0
Total	169,775.0	285,301.0	1,916,103.0	328,726.0	81,975.0	56,620.0	1,768,625.0
Actual.							
Banks	—	—	1,344,580.0	270,933.0	75,700.0	—	1,350,724.0
Trust cos.	—	—	563,697.0	54,262.0	7,261.0	54,613.0	410,018.0
Total	—	—	1,908,277.0	325,195.0	82,961.0	54,613.0	1,760,742.0

The State Banking Department also furnishes weekly returns of the State banks and trust companies under its charge. These returns cover all the institutions of this class in the whole State, but the figures are compiled so as to distinguish between the results for New York City (Greater New York) and those for the rest of the State, as per the following:

House banks and trust companies. In addition, we have combined each corresponding item in the two statements, thus affording an aggregate for the whole of the banks and trust companies in the Greater New York.

NEW YORK CITY BANKS AND TRUST COMPANIES.

Week ended Nov. 25—	Clear-House Members. Actual Figures	Clear-House Members. Average.	State Banks & Trust Cos. not in C.-H. Aver.	Total of all Banks & Trust Cos. Average.
	\$	\$	\$	\$
Capital	169,775,000	169,775,000	34,652,000	204,427,000
Surplus	285,301,000	285,301,000	93,130,300	378,431,300
Loans and Investments	1,908,277,000	1,916,103,000	601,879,100	2,517,982,100
Change from last week	-13,510,000	-5,863,000	+5,117,400	-745,600
Deposits	1,760,742,000	1,768,625,000	559,704,500	2,362,329,500
Change from last week	-16,963,000	-16,725,000	+3,516,200	-13,108,800
Specie	325,195,000	328,726,000	62,385,700	391,111,700
Change from last week	-5,944,000	-7,167,000	+56,400	-7,110,600
Legal-tenders	82,961,000	81,975,000	610,936,600	92,911,600
Change from last week	-400,000	-961,000	+116,300	-844,700
Banks cash in vault	346,633,000	347,728,000	12,793,800	360,521,800
Ratio to deposits	25.66%	25.56%	14.11%	
Trust cos. cash in vault	61,523,000	62,973,000	60,523,500	123,501,500
Aggr'te money holdings	408,156,000	410,701,000	73,322,300	484,023,300
Change from last week	-6,344,000	-8,128,000	+172,700	-7,955,300
Money on deposit with other bks. & trust cos.	54,613,000	56,620,000	19,658,300	76,278,300
Change from last week	-2,480,000	+131,000	-445,500	-314,500
Total reserve	462,769,000	467,321,000	92,980,600	560,301,600
Change from last week	-8,824,000	-7,997,000	-272,800	-8,269,800
Surplus CASH reserve	8,952,000	7,649,750		
Banks (above 25%)	20,300	1,726,200		
Trust cos. (above 15%)				
Total	8,972,300	9,375,950		
Change from last week	-1,430,550	-3,705,250		
% of cash reserves of trust cos.	15.00%	15.42%	14.91%	
Cash in vault	11.75%	12.18%	1.12%	
Cash on dep. with bks.				
Total	26.75%	27.60%	16.03%	

+ Increase over last week. — Decrease from last week.

a These are the deposits after eliminating the item "Due from reserve depositories and other banks and trust companies in New York City"; with this item included, deposits amounted to \$677,881,100, an increase of \$4,796,000 over last week. In the case of the Clearing-House members, the deposits are "legal net deposits" both for the average and the actual figures. b Includes bank notes.

The averages of the New York City Clearing-House banks and trust companies, combined with those for the State banks and trust companies in Greater New York outside of the Clearing House, compare as follows for a series of weeks past:

COMBINED RESULTS OF BANKS AND TRUST COMPANIES IN GREATER NEW YORK.

We omit two ciphers in all these figures.

Week Ended.	Loans and Investments.	Deposits.	Specie.	Legals.	Tot. Money Holdings.	Entire Res. on Deposit.
	\$	\$	\$	\$	\$	\$
Sept. 23--	2,549,490.3	2,418,184.1	413,729.9	95,222.2	508,952.1	589,576.5
Sept. 30--	2,536,059.1	2,404,638.2	411,994.6	94,394.6	506,389.2	587,161.9
Oct. 7--	2,520,644.0	2,382,520.9	403,975.7	91,545.0	495,520.7	579,936.1
Oct. 14--	2,526,299.8	2,388,182.0	402,340.7	91,112.1	493,452.8	580,679.2
Oct. 21--	2,519,188.7	2,380,090.9	399,322.0	93,911.6	493,233.6	575,895.6
Oct. 28--	2,517,979.4	2,380,965.6	403,805.5	92,996.1	496,801.6	580,002.4
Nov. 4--	2,525,948.9	2,384,031.8	401,382.5	93,244.2	494,626.7	575,900.4
Nov. 11--	2,524,634.5	2,376,207.5	398,091.6	93,208.6	491,300.2	565,413.1
Nov. 18--	2,518,727.7	2,375,438.3	398,222.3	93,756.3	491,978.6	568,571.4
Nov. 25--	2,517,982.1	2,362,329.5	391,111.7	92,911.6	484,023.3	560,301.6

Reports of Clearing Non-Member Banks.—The following is the statement of condition of the clearing non-member banks for the week ending Nov. 25, based on average daily results:

We omit two ciphers (00) in all these figures.

Banks.	Capital.	Surplus.	Loans, Disc'ts and Investments.	Specie.	Legal Tender and Bank Notes.	On Deposit with C.-H. Banks.	Net Deposits.
New York City.							
Manhattan & Bronx.							
Washington Heights.	100.0	297.0	1,269.0	143.0	59.0	160.0	1,015.0
Century	250.0	120.3	1,564.0	34.0	249.0	144.0	1,602.0
Colonial	400.0	463.4	5,843.0	812.0	437.0	836.0	7,014.0
Columbia	300.0	786.9	6,757.0	693.0	626.0	772.0	7,747.0
Fidelity	200.0	167.3	1,075.0	37.0	120.0	113.0	1,007.0
Jefferson	500.0	531.0	4,517.0	358.0	433.0	733.0	4,415.0
Mount Morris	250.0	340.2	2,455.0	426.0	44.0	345.0	3,098.0
Mutual	200.0	393.9	3,125.0	36.0	610.0	585.0	3,431.0
Plaza	100.0	475.2	4,107.0	359.0	363.0	649.0	4,267.0
Twenty-third Ward.	200.0	98.8	1,851.0	237.0	85.0	220.0	2,019.0
Yorkville	100.0	506.2	3,911.0	75.0	719.0	611.0	4,360.0
New Netherland.	200.0	278.6	2,640.0	321.0	106.0	246.6	2,584.0
Battery Park Nat.	200.0	132.6	1,563.0	247.0	44.0	62.0	1,406.0
Aetna National.	300.0	313.2	2,150.0	377.0	40.0	53.0	2,160.0
Gotham National.	200.0	120.0	1,256.0	325.0	10.0	107.0	1,325.0
Brooklyn.							
Broadway	200.0	535.5	3,083.0	435.0	115.0	408.0	3,042.0
Manufacturers' Nat.	252.0	867.3	5,430.0	398.0	238.0	685.0	4,790.0
Mechanics'	1,000.0	839.5	10,522.0	298.0	1,631.0	1,487.0	12,324.0
National City.	300.0	592.9	3,837.0	432.0	241.0	769.0	3,885.0
North Side	200.0	159.0	1,919.0	200.0	105.0	291.0	1,952.0
First National.	300.0	659.0	3,543.0	341.0	64.0	432.0	2,730.0
Jersey City.							
First National.	400.0	1,292.2	5,316.0	277.0	457.0	2,205.0	4,467.0
Hudson County Nat.	250.0	776.8	3,186.0	256.0	112.0	774.0	2,369.0
Third National.	200.0	414.1	2,043.0	123.0	163.0	683.0	1,760.0
Hoboken.							
First National.	220.0	625.8	3,704.0	219.0	57.0	307.0	1,727.0
Second National.	125.0	264.5	3,102.0	189.0	45.0	263.0	1,382.0
Totals Nov. 25--	6,947.0	12,051.2	89,838.0	7,648.0	7,173.0	13,946.0	87,880.0
Totals Nov. 18--	6,947.0	12,051.2	90,559.0	7,537.0	7,086.0	15,717.0	88,063.0
Totals Nov. 11--	6,947.0	12,051.2	91,535.0	7,548.0	7,369.0	13,709.0	88,798.0

Boston and Philadelphia Banks.—Below is a summary of the weekly totals of the Clearing-House banks of Boston and Philadelphia:

We omit two ciphers (00) in all these figures.

Banks.	Capital and Surplus.	Loans.	Specie.	Legals.	Deposits. a	Circulation.	Clearings.
Boston.	\$	\$	\$	\$	\$	\$	\$
Oct. 7--	41,350.0	221,484.0	24,754.0	3,660.0	270,561.0	7,101.0	164,897.5
Oct. 14--	41,350.0	221,504.0	25,055.0	3,762.0	279,094.0	7,038.0	140,883.1
Oct. 21--	41,350.0	220,639.0	27,806.0	4,177.0	285,096.0	7,361.0	186,367.6
Oct. 28--	41,350.0	225,858.0	28,270.0	4,130.0	280,595.0	7,370.0	176,114.7
Nov. 4--	41,350.0	231,129.0	28,032.0	4,151.0	294,736.0	7,375.0	229,525.7
Nov. 11--	41,350.0	235,879.0	28,599.0	4,355.0	292,463.0	7,382.0	166,874.6
Nov. 18--	41,350.0	233,993.0	29,164.0	4,513.0	293,377.0	7,387.0	180,465.7
Nov. 25--	41,350.0	234,151.0	27,958.0	4,644.0	286,651.0	7,231.0	166,210.6
Philadelphia.							
Oct. 7--	60,105.0	279,644.0	78,099.0		335,523.0	15,328.0	162,514.3
Oct. 14--	60,105.0	280,701.0	76,571.0		336,518.0	15,352.0	125,724.1
Oct. 21--	60,105.0	280,105.0	75,704.0		337,869.0	15,344.0	152,634.3
Oct. 28--	60,105.0	279,193.0	73,443.0		330,335.0	15,324.0	137,656.5
Nov. 4--	60,105.0	276,209.0	73,504.0		328,730.0	15,335.0	162,693.2
Nov. 11--	60,105.0	274,291.0	75,248.0		331,076.0	15,307.0	135,986.1
Nov. 18--	60,105.0	272,588.0	75,388.0		331,636.0	15,320.0	162,239.4
Nov. 25--	60,105.0	271,075.0	77,114.0		329,408.0	15,433.0	148,315.5

a Includes Government deposits and the item "due to other banks." At Boston Government deposits amounted to \$3,151,000 on November 25, against \$3,176,000 on November 18.

Imports and Exports for the Week.—The following are the imports at New York for the week ending Nov. 25; also totals since the beginning of the first week in January.

FOREIGN IMPORTS AT NEW YORK.

For week.	1911.	1910.	1909.	1908.
Dry Goods	\$2,666,195	\$3,187,801	\$3,256,890	\$2,509,652
General Merchandise	12,677,861	14,346,698	13,978,983	10,993,097
Total	\$16,344,056	\$17,534,499	\$17,235,873	\$13,502,749
Since January 1.				
Dry Goods	\$127,249,676	\$142,554,126	\$152,273,218	\$113,005,070
General Merchandise	666,950,819	681,789,861	638,650,349	461,926,863
Total 47 weeks	\$794,240,495	\$824,343,987	\$790,923,567	\$574,931,933

The following is a statement of the exports (exclusive of specie) from the port of New York to foreign ports for the week ending Nov. 25 and from Jan. 1 to date:

EXPORTS FROM NEW YORK.

For week.	1911.	1910.	1909.	1908.
For the week	\$19,778,172	\$10,320,437	\$12,418,031	\$8,539,558
Previously reported	687,310,861	611,750,536	551,409,111	568,026,494
Total 47 weeks	\$707,089,033	\$622,070,973	\$563,827,142	\$576,566,052

The following table shows the exports and imports of specie at the port of New York for the week ending Nov. 25 and since Jan. 1 1911 and for the corresponding periods in 1910 and 1909:

EXPORTS AND IMPORTS OF SPECIE AT NEW YORK.

Gold.	Exports.		Imports.	
	Week.	Since Jan. 1	Week.	Since Jan. 1
Great Britain				\$73,067
France		\$3,503,745		509,786
Germany		3,500		2,578
West Indies	\$13,100	1,831,020	\$29,782	1,527,497
Mexico			1,814	7,222,221
South America	1,820,000	4,105,430	84,943	2,891,489
All other countries		172,250	36,574	1,914,896
Total 1911	\$1,833,100	\$9,615,945	\$153,113	\$14,141,534
Total 1910	55,200	45,142,738	\$208,369	21,498,561
Total 1909	4,839,200	87,368,717	128,987	7,953,992
Silver.				
Great Britain	\$1,799,729	\$42,107,523		\$172,576
France		2,824,034		11,767
Germany		167,149		26,919
West Indies	929	93,695	\$345	78,886
Mexico			3,783	3,055,100
South America	1,000	36,617	97,672	1,669,741
All other countries	200	7,548	3,751	1,432,152
Total 1911	\$1,801,858	\$45,236,566	\$105,551	\$6,447,141
Total 1910	640,345	38,834,124	186,127	4,423,893
Total 1909	607,365	40,132,450	287,384	4,893,141

Of the above imports for the week in 1911, \$11,275 were American gold coin and \$556 American silver coin.

Banking and Financial

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THE ROOKERY,
CHICAGO

Bankers' Gazette.

Wall Street, Friday Night, Dec. 1 1911.

The Money Market and Financial Situation.—The trend of prices in the security markets indicates that again this week business at the Stock Exchange has been almost wholly in the hands of board-room traders, who bought or sold as their fancy or judgment dictated, giving little or no heed to daily current news. The latter, except for an advance in call-loan rates late on Wednesday to 6%, has been generally favorable, and there seems no logical reason for the rather unusual decline of values which has occurred in practically all the leading issues, both railway and industrial.

Perhaps those responsible for present market conditions have been reminded that Congress convenes next week for a long session, the consequences of which upon the principal industries of the country no one can foresee, and few, we imagine, would have the temerity to forecast. At the same time, there are evidences of a more or less substantial revival of business. One of the best of these is seen in a weekly review of the iron and steel industry, where it is stated that buying of pig iron is now more aggressive than it has been for several years past, and that the demand is stimulated largely by orders for railway equipment, which have already been placed. Reports of the net results of railway operations show, in many cases, what can be done in the way of reducing operating expenses when the matter becomes one of necessity, but the figures suggest the possibility of a retrenchment so severe as to require large outlays in the near future in order to maintain standard of efficiency and safety.

The progress now being made in reorganizing local traction companies is fast disposing of an unfortunate matter which has had a depressing influence upon the market for that class of securities for a long time past. The 6% call-loan rate referred to above was due to preparations for the Dec. 1 disbursements of interest and dividends, to recent exports of gold and to the holiday at the month-end. The rate existed for a brief period, but it is quite likely that during the remainder of the month they will rule above the recent low level.

The open market rate for call loans on the Stock Exchange during the week on stock and bond collaterals has ranged from 2½ to 6%. To-day's rates on call were 4@6%. Commercial paper quoted at 3¼@4% for 60 to 90-day endorsements, 3¼@4% for prime 4 to 6 months' single names and 4½@4¾% for good single names.

The Bank of England weekly statement on Thursday showed an increase in bullion of £488,028 and the percentage of reserve to liabilities was 51.31, against 51.04 last week. The rate of discount remains unchanged at 4%, as fixed Sept. 21. The Bank of France shows a decrease of 3,050,000 francs gold and 100,000 francs silver.

NEW YORK CITY CLEARING-HOUSE BANKS. (Not including Trust Companies.)

	1911. Averages for week ending Nov. 25.	Differences from previous week	1910. Averages for week ending Nov. 26.	1909. Averages for week ending Nov. 27.
Capital	\$135,150,000		\$133,350,000	\$127,350,000
Surplus	196,020,300		196,577,100	180,024,400
Loans and discounts	1,354,912,000	Dec. 10,418,000	1,214,416,500	1,196,167,100
Circulation	50,668,000	Inc. 42,000	48,564,200	52,965,200
Net deposits	1,360,313,000	Dec. 19,140,000	1,187,663,200	1,175,582,100
Specie	272,751,000	Dec. 8,310,000	246,360,200	235,090,600
Legal tenders	74,977,000	Dec. 957,000	68,825,500	68,118,800
Reserve held	347,728,000	Dec. 9,267,000	315,185,700	303,209,400
25% of deposits	340,078,250	Dec. 4,785,000	296,915,800	293,895,525
Surplus reserve	7,649,750	Dec. 4,482,000	18,269,900	9,313,875

Note.—The Clearing House now issues a statement weekly showing the actual condition of the banks on Saturday morning, as well as the above averages. These figures, together with the returns of the separate banks and trust companies, also the summary issued by the State Banking Department, giving the condition of State banks and trust companies not reporting to the Clearing House, appear on the second page preceding.

Foreign Exchange.—Quotations have declined each day, owing chiefly to the improvement in the monetary position abroad and the stiffening of interest rates here.

To-day's (Friday's) nominal rates for sterling exchange were 4 84 for 60 days and 4 87 ½ for sight. To-day's actual rates for sterling exchange were 4 8270 @ 4 8290 for 60 days, 4 8610 @ 4 8625 for cheques and 4 8655 @ 4 8665 for cables. Commercial on banks 4 82 @ 4 82 ½ and documents for payment 4 82 ½ @ 4 83 ½. Cotton for payment 4 82 ½ @ 4 83 and grain for payment 4 83 @ 4 83 ½.

The posted rates for sterling, as quoted by a representative house, have ruled daily at 4 84 for 60 days and 4 87 ½ for sight.

To-day's (Friday's) actual rates for Paris bankers' francs were 5 20 ½ @ 5 20 less 1-16 for long and 5 18 ½ less 3-32 @ 5 18 ½ less 1-16 for short. Germany bankers' marks were 94 7-16 @ 94 ½ for long and 95 1-16 less 1-32 @ 95 1-16 for short. Amsterdam bankers' guilders were 40 5-16 less 1-16 @ 40 5-16 less 1-32 for short.

Exchange at Paris on London, 25f. 20 ¾ c.; week's range, 25f. 22c. high and 25f. 19c. low.

Exchange at Berlin on London, 20m. 46 ¼ pf.; week's range, 20m. 47pf. high and 20m. 45 ¼ pf. low.

The range for foreign exchange for the week follows:

Sterling, Actual—	Sixty Days.	Cheques.	Cables.
High for the week	4 83 ½	4 8670	4 8705
Low for the week	4 82 ½	4 8610	4 86 ½
Paris Bankers' Francs—			
High for the week	5 20 less 1-16	5 17 ½ less 1-16	5 17 ½
Low for the week	5 20 ½ less 1-16	5 18 ½ less 3-32	5 18 ½ less 1-32
Germany Bankers' Marks—			
High for the week	94 9-16	95 3-16	95 ½
Low for the week	94 7-16	95 1-16 less 1-32	95 ½ less 1-32
Amsterdam Bankers' Guilders—			
High for the week	40 1-16	40 5-16 plus 1-16	40 ¾
Low for the week	40	40 5-16 less 1-16	40 ¾ less 3-32

Domestic Exchange.—The following are the rates for domestic exchange at the under-mentioned cities at the close of the week: Chicago, 15c. per \$1,000 discount. Boston, 5c. per \$1,000 premium. New Orleans, commercial, 25c. per \$1,000 discount; bank, \$1 per \$1,000 premium. Savannah, buying, 3-16% discount; selling, par. San Francisco, 20c. per \$1,000 premium. St. Louis, 15c. per \$1,000 discount. Charleston, buying, par; selling, 1-10% premium. Montreal, 62 ½ c. per \$1,000 discount.

State and Railroad Bonds.—Sales of State bonds at the Board include \$168,000 N. Y. Canal 4s, 1961, at 101¾ to 102, \$2,000 N. Y. Canal 4s, 1960, at 101½, \$71,000 N. Y. 4s, 1961, at 101¾ to 101½ and \$20,000 Va. 6s def. tr. refts at 48.

Enormous dealings in Third Ave. and Metropolitan Street Railway issues have given the market for railway and industrial bonds the appearance of activity. Without these dealings the market would have been dull, narrow and generally featureless. The issues mentioned advanced from 1 to nearly 7 points. Other advances have been fractional and are more than offset by a larger number of declines, also mostly fractional, while 5 of the 20 active issues close unchanged from last week.

United States Bonds.—Sales of Government bonds at the Board include \$33,000 Panama 3s at 102½ to 102¾, \$10,000 4s registered at 113¾ and \$2,500 2s coup. at 100¾. The week's range has been as follows: for yearly range see third page following.

	Interest Periods	Nov. 25	Nov. 27	Nov. 28	Nov. 29	Nov. 30	Dec. 1
2s, 1930	registered	Q-Jan	*100 ¾	*100 ¾	*100 ¾	*100 ¾	*100 ¾
2s, 1930	coupon	Q-Jan	*100 ¾	*100 ¾	*100 ¾	*100 ¾	*100 ¾
3s, 1908-18	registered	Q-Feb	*101 ¾	*101 ¾	*101 ¾	*101 ¾	*101 ¾
3s, 1908-18	coupon	Q-Feb	*101 ¾	*101 ¾	*101 ¾	*101 ¾	*101 ¾
4s, 1125	registered	Q-Feb	*113 ¾	*113 ¾	*113 ¾	*113 ¾	*113 ¾
4s, 1125	coupon	Q-Feb	*113 ¾	*113 ¾	*113 ¾	*113 ¾	*113 ¾
2s, 1936	Panama Canal regis	Q-Feb	*100 ¾	*100 ¾	*100 ¾	*100 ¾	*100 ¾
3s, 1961	Panama Canal	Q-Mch	*102 ¾	*102 ¾	*102 ¾	*102 ¾	*102 ¾

* This is the price bid at the morning board; no sale was made.

Railroad and Miscellaneous Stocks.—On a volume of business somewhat larger than last week the market for shares has been irregular day by day, but with a general tendency to weakness. Doubtless the higher call-loan rates, mentioned above, induced more or less selling by traders who were cautious about carrying stocks over the holiday or over the week-end. In to-day's market the number of shares traded in was less than one-half the average for the earlier days of the week and the tendency of prices continued downward.

For daily volume of business see page 1524.

The following sales have occurred this week of shares not represented in our detailed list on the pages which follow:

STOCKS. Week ending Dec. 1.	Sales for Week.	Range for Week.		Range since Jan. 1.	
		Lowest.	Highest.	Lowest.	Highest.
Am Brake Shoe & F. pf.	100 129	Nov 25	129	Nov 25	122 ½
American District Teleg.	10 18	Nov 28	18	Nov 28	18
American Smelt. pref.	100 103	Dec 1	103	Dec 1	96
Am Tobacco pref tr refts	6,500 97 ¾	Nov 25	100 ¾	Nov 29	92 ½
Batopilas Mining	600 81 ¾	Nov 27	81 ¾	Nov 27	81 ¾
Colorado Fuel & I. pref.	100 108	Dec 1	108	Dec 1	106
Cuban-American Sugar	100 54	Nov 28	54	Nov 28	35
Federal Sugar Refining	500 64	Nov 29	64 ¾	Nov 28	35
General Chemical	110 132 ¾	Nov 25	133	Nov 29	100
Green Bay & West, debA	1 80	Dec 1	80	Dec 1	76 ½
Homestake Mining	25 86	Nov 27	86	Nov 27	81 ¾
Lackawanna Steel	400 30	Dec 1	32	Nov 25	30
Norfolk Southern	100 52	Nov 28	52	Nov 28	45 ½
Quicksilver Mining	900 3 ¾	Nov 29	4 ½	Nov 27	2
Preferred	300 5	Nov 25	5	Nov 29	2 ½
RR Securities—Ill Cent					
stock trust certificates	50 89 ¾	Nov 29	89 ¾	Nov 29	88
St L & San Fran—C & E					
Ill pref stock tr cfts.	400 107	Nov 27	107 ½	Nov 25	107
C & E I new stl tr cfts	20 59	Nov 25	60	Nov 27	54
Sears, Roebuck & Co. pref.	100 121 ¼	Nov 29	121 ¼	Nov 29	119 ½
So Porto Rico Sugar, pf	105 110	Nov 28	110	Nov 28	110
Texas Pac Land Trust	300 89	Nov 29	89	Nov 29	84
U S Indus Alcohol. pref.	100 95	Nov 27	95	Nov 27	90
U S Reduc & Refining	100 2	Nov 29	2	Nov 29	2
Virginia Iron, C & C	400 60	Nov 29	60 ¾	Nov 29	52

Outside Market.—American Tobacco and the leading copper issues furnished the bulk of the trading on the "curb" this week. While the movement of prices was irregular, the undertone was firm. American Tobacco com. advanced from 472 to 511, then receded sharply to 481. An upward movement started again and the stock rested finally at 500. Transactions were also reported for the first time in American Tobacco ex-subsidiaries up from 225 to 300. Liggett & Myers was traded in at 160 and 180 and P. Lorillard up from 175 to 195. Studebaker Corp. com. moved up from 57 ¾ to 58 ½ and down to 57 ½. The preferred improved from 101 to 102 ½, the close to-day being at 102 ¼. United Cigar Mfrs. com. gained about a point to 46. United Cigar Stores was active. It advanced from 261 to 266 last Saturday. A reaction to 250 followed, with a final recovery to 256. In bonds trading commenced and was active in the Metropolitan St. Ry. new 4s, w. i., down from 81 ½ to 81 ¼ and up to 81 ½, the close to-day being at 81 ½. Initial trading in the new 5s, w. i., resulted in a decline from 52 to 51 ¼ and an advance to 52 ½, the finish to-day being at 52. Sales of odd lots were reported at 53. Liggett & Myers 5s, w. i., moved up from 87 ¾ to 88 ¾ and down to 88 ¼. The 7s, w. i., eased off from 115 ¾ to 115 ½. P. Lorillard 5s, w. i., were traded in at 88 ½ and 88 ¾ and the 7s, w. i., up from 115 ¾ to 116. N. Y. Westchester & Boston Ry. 4½s were off from 98 ½ to 98 7-16. Oregon-Wash. R.R. & Nav. 4s sold up from 92 ¾ to 92 ¾ and down finally to 92 ½. N. Y. City 4½s declined from 103 ½ to 102 13-16. N. Y. State new 4s, w. i., rose from 101 ½ to 101 ¾ and reacted to 101 ¾. Among coppers Braden was active and strong, advancing from 5 ¾ to 5 ¾, the close to-day being at 5 ¾. Butte Coalition lost a point to 17. Greene Cananea improved from 8 ½ to 8 ½ and reacted to 8. Inspiration was active and fluctuated between 8 ¾ and 9 ¾, with the close to-day at the high figure.

Outside quotations will be found on page 1524.

New York Stock Exchange—Stock Record, Daily, Weekly and Yearly

OCCUPYING TWO PAGES

STOCKS—HIGHEST AND LOWEST SALE PRICES.						Sales of the Week Shares.	STOCKS		Range since January 1. On basis of 100-share cts.		Range for Previous Year 1910	
Saturday Nov. 25	Monday Nov. 27	Tuesday Nov. 28	Wednesday Nov. 29	Thursday Nov. 30	Friday Dec. 1		NEW YORK STOCK EXCHANGE		Lowest.	Highest.	Lowest.	High.
107 1/2	107 1/2	106 3/4	107 1/2	105 1/2	106 1/2	20,900	A. T. & Santa Fe		99 1/2	Sep 27	116 1/2	Jan 5
103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	400	Do pref		100 1/2	Jan 3	105 1/2	Jan 12
137 1/2	137 1/2	137 1/2	138 1/2	136 1/2	136 1/2	4,400	Atlantic Coast Line RR		117 1/2	Jan 3	139 1/2	Nov 23
102 1/2	102 1/2	103 1/2	103 1/2	101 1/2	103 1/2	5,250	Baltimore & Ohio		93 1/2	Sep 29	109 1/2	Jan 14
89 1/2	89 1/2	89 1/2	89 1/2	89 1/2	89 1/2	100	Do pref		85 1/2	Aug 30	91 1/2	Jan 4
78 1/2	78 1/2	78 1/2	78 1/2	77 1/2	77 1/2	5,810	Brooklyn Rapid Transit		72 1/2	Sep 13	84 1/2	Jan 20
241 1/2	242 1/2	241 1/2	242 1/2	241 1/2	243 1/2	25,550	Canadian Pacific		195 1/2	Jan 3	247 1/2	Jan 21
300 3/2	320 3/2	298 3/2	300 3/2	300 3/2	320 3/2	320	Central of New Jersey		260 1/2	Aug 24	310 1/2	Nov 21
75 1/2	75 1/2	75 1/2	75 1/2	74 1/2	74 1/2	4,400	Chesapeake & Ohio		68 1/2	Sep 25	80 1/2	Feb 8
23 3/2	23 3/2	23 3/2	23 3/2	24 3/2	24 3/2	30	Chicago & Alton RR		15 1/2	Aug 28	31 1/2	May 23
40 5/2	40 5/2	40 5/2	40 5/2	40 5/2	40 5/2	50	Do pref		37 1/2	Oct 2	53 1/2	Jan 19
20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20	Chic Gt West trust cts		17 1/2	Sep 13	25 1/2	Jan 5
37 1/2	39 1/2	38 1/2	38 1/2	37 1/2	38 1/2	38	Do pref trust cts		36 1/2	Sep 13	49 1/2	Feb 6
109 1/2	110 1/2	109 1/2	111 1/2	109 1/2	111 1/2	110 1/2	Chicago Milw & St Paul		105 1/2	Oct 4	133 1/2	Feb 7
147 1/2	147 1/2	146 1/2	148 1/2	147 1/2	147 1/2	148 1/2	Do pref		141 1/2	Sep 14	155 1/2	Feb 2
145 1/2	144 1/2	144 1/2	145 1/2	145 1/2	145 1/2	143 1/2	Chicago & North Western		138 1/2	Sep 1	150 1/2	Jan 12
191 200	191 200	191 200	191 200	191 200	191 200	189 200	Do pref		191 1/2	Nov 13	209 1/2	Jan 7
137 1/2	137 1/2	137 1/2	137 1/2	137 1/2	137 1/2	141 1/2	Chic St P Minn & Omaha		130 1/2	Apr 20	144 1/2	Jan 12
150 165	150 165	147 1/2	147 1/2	147 1/2	147 1/2	150 150	Do pref		147 1/2	Nov 28	160 1/2	Feb 27
17 1/2	21 1/2	2 1/2	2 1/2	18 1/2	21 1/2	2 1/2	Chic Un Trac cts stmpd		1 1/2	Sep 30	3 1/2	Feb 4
5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	100	Do pref cts stmpd		4 1/2	Sep 11	7 1/2	Feb 6
63 75	63 75	63 75	63 75	62 75	62 75	100	Cleve Cin Chic & St L		48 1/2	Sep 15	66 1/2	Jan 18
92 110	92 110	92 110	92 110	92 110	92 110	92 110	Do pref		91 1/2	July 8	98 1/2	Jan 1
48 50	47 49	45 49	45 49	45 49	45 49	100	Colorado & Southern		43 1/2	Sep 23	60 1/2	Jan 18
77 1/2	78 77 1/2	77 1/2	77 1/2	77 1/2	77 1/2	100	Do 1st preferred		76 1/2	Sep 25	82 1/2	Jan 30
67 70	70 70	65 75	67 75	67 75	67 75	100	Do 2d preferred		66 1/2	Sep 25	75 1/2	Jan 2
170 171	168 170	168 170	168 170	168 170	168 170	400	Delaware & Hudson		159 1/2	Sep 20	174 1/2	Jan 8
555 570	550 570	550 570	555 565	555 565	555 565	20	Delaware Lack & West		505 570	Sep 25	570 570	Nov 10
23 24	23 24	23 24	23 24	23 24	23 24	300	Denver & Rio Grande		21 1/2	Sep 14	35 1/2	Feb 15
48 49	47 50	46 50	46 50	46 50	46 50	49	Do pref		44 1/2	Sep 14	74 1/2	Feb 21
9 9	9 9	8 1/2	8 1/2	8 1/2	8 1/2	440	Duluth St Shore & Atlan		9 1/2	Nov 25	15 1/2	Mar 30
19 20	19 19	18 1/2	18 1/2	18 1/2	18 1/2	200	Do pref		18 1/2	Dec 1	30 1/2	Mar 30
32 1/2	32 1/2	31 1/2	32 1/2	31 1/2	31 1/2	28,750	Erie		27 1/2	Jan 11	38 1/2	July 1
53 53 1/2	53 53 1/2	52 1/2	53 1/2	52 1/2	52 1/2	3,100	Do 1st preferred		45 1/2	Jan 12	61 1/2	July 1
44 45	44 44	43 1/2	44 1/2	43 1/2	43 1/2	2,200	Do 2d preferred		35 1/2	Jan 9	49 1/2	July 1
127 1/2	127 1/2	127 1/2	127 1/2	126 1/2	127 1/2	11,400	Great Northern pref		119 1/2	Sep 25	140 1/2	Jan 8
427 431 1/2	428 428 1/2	428 428 1/2	428 428 1/2	428 428 1/2	428 428 1/2	600	Iron Ore properties		40 1/2	Oct 19	64 1/2	Feb 2
115 121 1/2	121 1/2	115 121 1/2	115 121 1/2	115 121 1/2	115 121 1/2	23	Green Bay & W. deb cts B		11 1/2	Aug 28	15 1/2	Jan 17
93 1/2	93 1/2	93 1/2	93 1/2	93 1/2	93 1/2	1,200	Havana Electric		93 1/2	July 22	98 1/2	Oct 11
125 128	125 128	125 128	125 128	125 128	125 128	1,200	Do preferred		93 1/2	Jan 12	102 1/2	Oct 9
144 1/2	144 1/2	144 1/2	144 1/2	144 1/2	144 1/2	12,447	Hocking Valley		124 1/2	Nov 15	134 1/2	Apr 29
14 1/2	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2	9,200	Illinois Central		132 1/2	Jan 3	147 1/2	July 31
45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	1,200	Interboro-Metrop v t cts		131 1/2	Sep 22	208 1/2	Feb 10
161 1/2	171 1/2	161 1/2	171 1/2	161 1/2	171 1/2	100	Do pref vot tr cts		393 1/2	Sep 25	568 1/2	July 19
31 34	31 34	31 34	31 34	31 34	31 34	100	Iowa Central		391 1/2	Sep 14	55 1/2	July 19
78 1/2	80 78 1/2	78 1/2	80 78 1/2	78 1/2	80 78 1/2	500	Do preferred		15 1/2	May 12	22 1/2	Sep 7
29 1/2	29 1/2	28 1/2	29 1/2	28 1/2	29 1/2	700	K C F S & M tr cts pref		74 1/2	Apr 8	79 1/2	Nov 28
64 66 1/2	66 66 1/2	64 66 1/2	66 66 1/2	64 66 1/2	66 66 1/2	200	Kansas City Southern		25 1/2	Sep 25	37 1/2	Jan 13
121 1/2	121 1/2	121 1/2	121 1/2	121 1/2	121 1/2	144 1/2	Do preferred		61 1/2	Sep 26	69 1/2	Jan 13
30 34	30 34	30 34	30 34	30 34	30 34	175 1/2	Lake Erie & Western		10 1/2	Sep 25	17 1/2	Nov 9
178 1/2	177 1/2	177 1/2	178 1/2	178 1/2	178 1/2	94,800	Do preferred		25 1/2	Sep 1	40 1/2	Jan 13
45 52	45 52	45 52	45 52	45 52	45 52	200	Lehigh Valley		151 1/2	Sep 14	181 1/2	Nov 13
158 1/2	158 1/2	158 1/2	158 1/2	158 1/2	158 1/2	11,700	Long Island		45 1/2	Nov 27	63 1/2	Jan 16
135 137	134 138	134 138	135 135	135 135	135 135	100	Louisville & Nashville		136 1/2	Sep 14	160 1/2	Nov 24
32 34	32 34	30 34	30 34	30 34	30 34	100	Manhattan Elevated		131 1/2	Sep 22	142 1/2	Jan 19
57 60	57 60	56 60	56 58 1/2	56 58 1/2	56 58 1/2	1,285	Minneapolis & St Louis		21 1/2	Apr 26	42 1/2	Sep 6
134 1/2	134 1/2	134 1/2	134 1/2	134 1/2	134 1/2	100	Do preferred		35 1/2	Mar 18	68 1/2	Sep 6
144 148	148 148	147 149	147 149	147 149	147 149	100	Minn St P & S S Marie		124 1/2	Nov 23	152 1/2	Mar 30
87 1/2	87 1/2	87 1/2	87 1/2	87 1/2	87 1/2	1,400	Do preferred		146 1/2	Nov 23	160 1/2	Mar 30
81 1/2	81 1/2	81 1/2	81 1/2	81 1/2	81 1/2	4,600	Do leased line cts		87 1/2	July 5	90 1/2	Mar 15
31 1/2	31 1/2	30 1/2	31 1/2	30 1/2	31 1/2	2,900	Mo Kansas & Texas		27 1/2	Sep 26	38 1/2	Jan 14
66 68 1/2	66 68 1/2	66 68 1/2	66 68 1/2	66 68 1/2	66 68 1/2	1,400	Do preferred		62 1/2	Sep 25	70 1/2	Oct 17
39 39 1/2	39 39 1/2	39 39 1/2	39 39 1/2	39 39 1/2	39 39 1/2	2,900	Missouri Pacific		33 1/2	Sep 14	63 1/2	Feb 15
150 150	150 150	150 150	150 150	150 150	150 150	575	Nash Chatt & St Louis		140 1/2	Jan 19	163 1/2	Jan 14
66 69 1/2	66 69 1/2	66 69 1/2	66 69 1/2	66 69 1/2	66 69 1/2	1,585	Nat Rys of Mex 1st pref		60 1/2	Aug 23	72 1/2	Jan 26
33 34 1/2	33 34 1/2	34 34 1/2	34 34 1/2	34 34 1/2	34 34 1/2	100	Do 2d preferred		25 1/2	Aug 28	38 1/2	Feb 15
108 108 1/2	107 108 1/2	107 108 1/2	107 108 1/2	107 108 1/2	107 108 1/2	100	N Y Central & Hudson		297 1/2	Sep 21	115 1/2	Feb 3
53 55	53 55	53 55	53 55	53 55	53 55	100	N Y Chic & St Louis		48 1/2	Sep 14	65 1/2	Jan 19
98 1/2	98 1/2	98 1/2	98 1/2	98 1/2	98 1/2	100	Do 1st preferred		98 1/2	Nov 29	101 1/2	Mar 20
75 85	75 85	75 85	75 85	75 85	75 85	983	Do 2d preferred		82 1/2	Aug 25	90 1/2	Jan 27
142 1/2	142 1/2	143 143	141 142	138 140 1/2	140 1/2	1,400	N Y NH & Hartford		126 1/2	Sep 14	151 1/2	Feb 23
40 41 1/2	40 41 1/2	40 41 1/2	40 41 1/2	40 41 1/2	40 41 1/2	6,790	N Y Ontario & Western		37 1/2	Sep 25	46 1/2	July 22
110 1/2	110 1/2	110 1/2	110 1/2	110 1/2	110 1/2	1,081	Norfolk & Western		99 1/2	Sep 25	111 1/2	Nov 24
90 1/2	90 1/2	90 1/2	90 1/2	90 1/2	90 1/2	162	Do adjustment pref		85 1/2	Apr 18	91 1/2	Jan 8
115 1/2	117 1/2	115 1/2	117 1/2	115 1/2	117 1/2	36,370	Northern Pacific		110 1/2	Sep 25	137 1/2	Jan 8
92 105	92 105	92 105	92 105	92 105	92 105	1,400	Pacific Coast Co		95 1/2	Nov 27	102 1/2	Jan 10
90 105	90 105											

Range for Previous:

* Bid and asked prices; no sales on this day. † Less than 100 shares. ‡ Ex-rights. § New stock. ¶ Ex-div. and rights. † Quoted dollars per share. ‡ Sale at Stock Exchange or at auction this week. § Ex stock dividend. ¶ Banks marked with a paragraph (§) are State banks. † Ex-dividend.

New York Stock Exchange—Bond Record, Friday, Weekly and Yearly

Jan. 1 1900 the Exchange method of quoting bonds was changed, and prices are now all—"and interest"—except for income and defaulted bonds.

BONDS										BONDS									
N. Y. STOCK EXCHANGE										N. Y. STOCK EXCHANGE									
Week Ending Dec. 1.										Week Ending Dec. 1.									
Interest Period										Interest Period									
Price Friday Dec. 1										Price Friday Dec. 1									
Week's Range or Last Sale										Week's Range or Last Sale									
Bonds Sold										Bonds Sold									
Range Since January 1										Range Since January 1									
U. S. Government.										Chesapeake & Ohio—									
U S 2s consol registered—	d1930	Q-J	1001 ¹ / ₂	1001 ¹ / ₂	1001 ¹ / ₂	Nov '11	1001 ¹ / ₂	1011 ¹ / ₂	1011 ¹ / ₂	Gen funding & imp 5s—	1929	J-J	1031 ¹ / ₂	1051 ¹ / ₂	1031 ¹ / ₂	Sep '11	1027 ¹ / ₂	1061 ¹ / ₂	
U S 2s consol coupon—	d1930	Q-J	1001 ¹ / ₂	1001 ¹ / ₂	1001 ¹ / ₂	Nov '11	1001 ¹ / ₂	1011 ¹ / ₂	1011 ¹ / ₂	1st consol gold 5s—	1939	M-N	1111 ¹ / ₂	1121 ¹ / ₂	1111 ¹ / ₂	Nov '11	1111 ¹ / ₂	1131 ¹ / ₂	
U S 3s registered—	k1918	Q-J	1011 ¹ / ₂	1021 ¹ / ₂	1011 ¹ / ₂	Sep '11	1011 ¹ / ₂	1031 ¹ / ₂	1031 ¹ / ₂	Registered—	1939	M-N	1111 ¹ / ₂	1111 ¹ / ₂	1111 ¹ / ₂	Nov '11	1111 ¹ / ₂	1131 ¹ / ₂	
U S 3s coupon—	k1918	Q-J	1011 ¹ / ₂	1021 ¹ / ₂	1011 ¹ / ₂	Nov '11	1011 ¹ / ₂	1031 ¹ / ₂	1031 ¹ / ₂	General gold 4 1/2s—	1922	M-N	1011 ¹ / ₂	1011 ¹ / ₂	1011 ¹ / ₂	Nov '11	1011 ¹ / ₂	1031 ¹ / ₂	
U S 4s registered—	1925	Q-J	1131 ¹ / ₂	1131 ¹ / ₂	1131 ¹ / ₂	Oct '11	1131 ¹ / ₂	1161 ¹ / ₂	1161 ¹ / ₂	Registered—	1922	M-N	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Nov '11	991 ¹ / ₂	1011 ¹ / ₂	
U S 4s coupon—	1925	Q-J	1131 ¹ / ₂	1141 ¹ / ₂	1131 ¹ / ₂	Oct '11	1131 ¹ / ₂	1161 ¹ / ₂	1161 ¹ / ₂	Convertible 4 1/2s—	1930	F-A	931 ¹ / ₂	931 ¹ / ₂	931 ¹ / ₂	Nov '11	931 ¹ / ₂	971 ¹ / ₂	
U S Pan Canal 10-30-yr 2s	k1936	Q-J	1001 ¹ / ₂	1001 ¹ / ₂	1001 ¹ / ₂	Nov '11	1001 ¹ / ₂	1001 ¹ / ₂	1001 ¹ / ₂	Big Sandy 1st 4s—	1944	J-D	871 ¹ / ₂	881 ¹ / ₂	871 ¹ / ₂	May '11	871 ¹ / ₂	891 ¹ / ₂	
U S Panama Canal 3s g	—1961	Q-S	1021 ¹ / ₂	1021 ¹ / ₂	1021 ¹ / ₂	Nov '11	1021 ¹ / ₂	1031 ¹ / ₂	1031 ¹ / ₂	Coal Riv Ry 1st gu 4s—	1945	J-D	851 ¹ / ₂	851 ¹ / ₂	851 ¹ / ₂	Nov '11	851 ¹ / ₂	881 ¹ / ₂	
Foreign Government										Craig Valley 1st g 5s—									
Argentina—Internal 5s of 1900—	1900	M-S	971 ¹ / ₂	971 ¹ / ₂	971 ¹ / ₂	Nov '11	971 ¹ / ₂	971 ¹ / ₂	971 ¹ / ₂	Potts Creek Br 1st 4s—	1946	J-J	821 ¹ / ₂	821 ¹ / ₂	821 ¹ / ₂	Nov '11	821 ¹ / ₂	851 ¹ / ₂	
Chinese (Hukuang) Ry 5s £—	1900	J-D	957 ¹ / ₂	957 ¹ / ₂	957 ¹ / ₂	Nov '11	957 ¹ / ₂	957 ¹ / ₂	957 ¹ / ₂	R & A Div 1st con g 4s—	1989	J-J	941 ¹ / ₂	941 ¹ / ₂	941 ¹ / ₂	Nov '11	941 ¹ / ₂	961 ¹ / ₂	
Imperial Japanese Government	1900	J-D	957 ¹ / ₂	957 ¹ / ₂	957 ¹ / ₂	Nov '11	957 ¹ / ₂	957 ¹ / ₂	957 ¹ / ₂	2d consol gold 4s—	1989	J-J	941 ¹ / ₂	941 ¹ / ₂	941 ¹ / ₂	Nov '11	941 ¹ / ₂	961 ¹ / ₂	
Sterling loan 4 1/2s—	1925	F-A	931 ¹ / ₂	931 ¹ / ₂	931 ¹ / ₂	Nov '11	931 ¹ / ₂	931 ¹ / ₂	931 ¹ / ₂	Warm Spr Val 1st g 5s—	1941	M-N	1051 ¹ / ₂	1051 ¹ / ₂	1051 ¹ / ₂	Nov '11	1051 ¹ / ₂	1071 ¹ / ₂	
2d Series 4 1/2s—	1925	J-J	931 ¹ / ₂	931 ¹ / ₂	931 ¹ / ₂	Nov '11	931 ¹ / ₂	931 ¹ / ₂	931 ¹ / ₂	Greenbrier Ry 1st gu g 4s	1940	M-N	891 ¹ / ₂	891 ¹ / ₂	891 ¹ / ₂	Nov '11	891 ¹ / ₂	911 ¹ / ₂	
Sterling loan 4s—	1931	J-J	871 ¹ / ₂	871 ¹ / ₂	871 ¹ / ₂	Nov '11	871 ¹ / ₂	871 ¹ / ₂	871 ¹ / ₂	Chic & Alt RR ref g 3s—	1949	A-O	711 ¹ / ₂	711 ¹ / ₂	711 ¹ / ₂	Nov '11	711 ¹ / ₂	731 ¹ / ₂	
Republic of Cuba 5s exten debt—	1949	M-S	1031 ¹ / ₂	1031 ¹ / ₂	1031 ¹ / ₂	Nov '11	1031 ¹ / ₂	1031 ¹ / ₂	1031 ¹ / ₂	Railway 1st lien 3 1/2s—	1950	J-J	681 ¹ / ₂	681 ¹ / ₂	681 ¹ / ₂	Nov '11	681 ¹ / ₂	701 ¹ / ₂	
External loan 4 1/2s—	1949	F-A	971 ¹ / ₂	971 ¹ / ₂	971 ¹ / ₂	Nov '11	971 ¹ / ₂	971 ¹ / ₂	971 ¹ / ₂	Chic B & Q Denver Div 4s—	1922	F-A	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Nov '11	991 ¹ / ₂	1011 ¹ / ₂	
San Paulo (Brazil) trust 5s—	1919	J-J	971 ¹ / ₂	971 ¹ / ₂	971 ¹ / ₂	Nov '11	971 ¹ / ₂	971 ¹ / ₂	971 ¹ / ₂	Illinois Div 3 1/2s—	1949	J-J	871 ¹ / ₂	871 ¹ / ₂	871 ¹ / ₂	Nov '11	871 ¹ / ₂	891 ¹ / ₂	
U S of Mexico 5 f g 5s of—	1899	Q-J	921 ¹ / ₂	921 ¹ / ₂	921 ¹ / ₂	Nov '11	921 ¹ / ₂	921 ¹ / ₂	921 ¹ / ₂	Registered—	1949	J-J	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Nov '11	991 ¹ / ₂	1011 ¹ / ₂	
Gold 4s of 1904—	1954	J-D	921 ¹ / ₂	921 ¹ / ₂	921 ¹ / ₂	Nov '11	921 ¹ / ₂	921 ¹ / ₂	921 ¹ / ₂	Illinois Div 4s—	1949	J-J	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Nov '11	991 ¹ / ₂	1011 ¹ / ₂	
State and City Securities										Registered—									
N Y City—4 1/2s—	1960	M-S	1021 ¹ / ₂	1021 ¹ / ₂	1021 ¹ / ₂	Nov '11	1021 ¹ / ₂	1021 ¹ / ₂	1021 ¹ / ₂	Iowa Div sink fund 5s—	1919	A-O	1041 ¹ / ₂	1041 ¹ / ₂	1041 ¹ / ₂	Nov '11	1041 ¹ / ₂	1061 ¹ / ₂	
4% Corporate Stock—	1959	M-N	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Nov '11	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Sinking fund 4s—	1919	A-O	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Nov '11	991 ¹ / ₂	1011 ¹ / ₂	
4% Corporate Stock—	1958	M-N	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Nov '11	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Nebraska Extension 4s—	1927	M-N	981 ¹ / ₂	981 ¹ / ₂	981 ¹ / ₂	Nov '11	981 ¹ / ₂	1001 ¹ / ₂	
4% Corporate Stock—	1957	M-N	1001 ¹ / ₂	1001 ¹ / ₂	1001 ¹ / ₂	Nov '11	1001 ¹ / ₂	1001 ¹ / ₂	1001 ¹ / ₂	Registered—	1927	M-N	971 ¹ / ₂	971 ¹ / ₂	971 ¹ / ₂	Nov '11	971 ¹ / ₂	991 ¹ / ₂	
New 4 1/2s—	1957	M-N	1071 ¹ / ₂	1071 ¹ / ₂	1071 ¹ / ₂	Nov '11	1071 ¹ / ₂	1071 ¹ / ₂	1071 ¹ / ₂	Southwestern Div 4s—	1921	M-S	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Nov '11	991 ¹ / ₂	1011 ¹ / ₂	
New 4 1/2s—	1917	M-N	1021 ¹ / ₂	1021 ¹ / ₂	1021 ¹ / ₂	Nov '11	1021 ¹ / ₂	1021 ¹ / ₂	1021 ¹ / ₂	Joint bonds See Great North.	1913	M-N	1011 ¹ / ₂	1011 ¹ / ₂	1011 ¹ / ₂	Nov '11	1011 ¹ / ₂	1031 ¹ / ₂	
4 1/2% Corporate Stock—	1917	M-N	1021 ¹ / ₂	1021 ¹ / ₂	1021 ¹ / ₂	Nov '11	1021 ¹ / ₂	1021 ¹ / ₂	1021 ¹ / ₂	Debtenture 5s—	1913	M-N	961 ¹ / ₂	961 ¹ / ₂	961 ¹ / ₂	Nov '11	961 ¹ / ₂	981 ¹ / ₂	
4 1/2% assessment bonds—	1917	M-N	1021 ¹ / ₂	1021 ¹ / ₂	1021 ¹ / ₂	Nov '11	1021 ¹ / ₂	1021 ¹ / ₂	1021 ¹ / ₂	General 4s—	1958	M-S	961 ¹ / ₂	961 ¹ / ₂	961 ¹ / ₂	Nov '11	961 ¹ / ₂	981 ¹ / ₂	
3 1/2% Corporate Stock—	1954	M-N	1011 ¹ / ₂	1011 ¹ / ₂	1011 ¹ / ₂	Nov '11	1011 ¹ / ₂	1011 ¹ / ₂	1011 ¹ / ₂	Chic & E Ill ref & imp 4 gs	1955	J-J	811 ¹ / ₂	811 ¹ / ₂	811 ¹ / ₂	Nov '11	811 ¹ / ₂	831 ¹ / ₂	
N Y State—4s—	1961	M-S	1011 ¹ / ₂	1011 ¹ / ₂	1011 ¹ / ₂	Nov '11	1011 ¹ / ₂	1011 ¹ / ₂	1011 ¹ / ₂	1st consol gold 6s—	1934	A-O	1231 ¹ / ₂	1231 ¹ / ₂	1231 ¹ / ₂	Nov '11	1231 ¹ / ₂	1251 ¹ / ₂	
Canal Improvement 4s—	1960	J-J	1011 ¹ / ₂	1011 ¹ / ₂	1011 ¹ / ₂	Nov '11	1011 ¹ / ₂	1011 ¹ / ₂	1011 ¹ / ₂	General consol 1st 5s—	1937	M-N	1091 ¹ / ₂	1091 ¹ / ₂	1091 ¹ / ₂	Nov '11	1091 ¹ / ₂	1111 ¹ / ₂	
So Carolina 4 1/2s 20-40—	1933	J-J	971 ¹ / ₂	971 ¹ / ₂	971 ¹ / ₂	Nov '11	971 ¹ / ₂	971 ¹ / ₂	971 ¹ / ₂	Registered—	1937	M-N	1081 ¹ / ₂	1081 ¹ / ₂	1081 ¹ / ₂	Nov '11	1081 ¹ / ₂	1101 ¹ / ₂	
Tenn new settlement 3s—	1913	J-J	971 ¹ / ₂	971 ¹ / ₂	971 ¹ / ₂	Nov '11	971 ¹ / ₂	971 ¹ / ₂	971 ¹ / ₂	Chic & Ind C Ry 1st 5s—	1936	J-J	1091 ¹ / ₂	1091 ¹ / ₂	1091 ¹ / ₂	Nov '11	1091 ¹ / ₂	1111 ¹ / ₂	
Virginia fund debt 2-3s—	1991	J-J	481 ¹ / ₂	481 ¹ / ₂	481 ¹ / ₂	Nov '11	481 ¹ / ₂	481 ¹ / ₂	481 ¹ / ₂	Chic Gt Western 1st 4s—	1959	M-S	831 ¹ / ₂	831 ¹ / ₂	831 ¹ / ₂	Nov '11	831 ¹ / ₂	851 ¹ / ₂	
6s deferred Brown Bros cdfs—	1991	J-J	481 ¹ / ₂	481 ¹ / ₂	481 ¹ / ₂	Nov '11	481 ¹ / ₂	481 ¹ / ₂	481 ¹ / ₂	Chic Ind & Louisv—Ref 6s	1947	J-J	1281 ¹ / ₂	1281 ¹ / ₂	1281 ¹ / ₂	Nov '11	1281 ¹ / ₂	1301 ¹ / ₂	
Railroad										Refunding gold 5s—									
Ann Arbor 1st g 4s—	1995	Q-J	801 ¹ / ₂	801 ¹ / ₂	801 ¹ / ₂	Nov '11	801 ¹ / ₂	801 ¹ / ₂	801 ¹ / ₂	Refunding 4s Series C—	1917	J-J	1081 ¹ / ₂	1081 ¹ / ₂	1081 ¹ / ₂	Nov '11	1081 ¹ / ₂	1101 ¹ / ₂	
Atchafalpa Topoka & Santa Fe—	1995	A-O	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Nov '11	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Ind & Louisv 1st gu 4s—	1956	J-J	911 ¹ / ₂	911 ¹ / ₂	911 ¹ / ₂	Nov '11	911 ¹ / ₂	931 ¹ / ₂	
Gen gold 4s—	1995	A-O	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Nov '11	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Chic Ind & Sou 50-yr 4s—	1956	J-J	911 ¹ / ₂	911 ¹ / ₂	911 ¹ / ₂	Nov '11	911 ¹ / ₂	931 ¹ / ₂	
Registered—	1995	A-O	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Nov '11	991 ¹ / ₂	991 ¹ / ₂	991 ¹ / ₂	Chic L & East 1st 4 1/2s—	1969	J-D	1011 ¹ / ₂	1011 ¹ / ₂	1011 ¹ / ₂	Nov '11	1011 ¹ / ₂	1031 ¹ / ₂	
Adjustment gold 4s—	1995	Nov	911 ¹ / ₂	911 ¹ / ₂	911 ¹ / ₂	Nov '11	911 ¹ / ₂	911 ¹ / ₂	911 ¹ / ₂	Chic M & St P term 4 1/2s—	1914	J-J	1011 ¹ / ₂	1011 ¹ / ₂	1011 ¹ / ₂	Nov '11	1011 ¹ / ₂	1031 ¹ / ₂	
Registered—	1995	Nov	911 ¹ / ₂	911 ¹ / ₂	911 ¹ / ₂	Nov '11													

MISCELLANEOUS BONDS—Continued on Next Page.

*No price Friday: latest bid and asked this week. a Due Jan. b Due Feb. d Due April. h Due July. k Due Aug. o Due Oct. s Option sale

BONDS N. Y. STOCK EXCHANGE Week Ending Dec. 1.										BONDS N. Y. STOCK EXCHANGE Week Ending Dec. 1.									
		Price Friday Dec. 1.		Week's Range or Last Sale		No.	Range Since January 1		No.			Price Friday Dec. 1.		Week's Range or Last Sale		No.	Range Since January 1		No.
		Bid	Ask	Low	High		Low	High				Bid	Ask	Low	High		Low	High	
Manila RR—Sou lines 4s. 1938																			
Mexican Cent cons g 4s. 1911		88		100 May '11			99 1/2 100			Michigan Central—(Con)		100 100 1/2		100 100			99 100 1/2		
2d cons line g 3s trust rect.		1917		25 1/2 Apr '09						Bat C & Stur 1st g 3s. 1938		A-O		100 100 1/2			99 100 1/2		
Equip & coll g 5s. 1917		A-O								N Y Ohio & St L 1st g 4s. 1932		A-O		98 1/2 Nov '11			98 1/2 98 3/4		
2d series g 5s. 1919		A-O								Registered		A-O		91 Nov '11			91 91 1/2		
Mex internat 1st con g 4s. 1977		M-S		80 1/2						Debenture 4s. 1931		M-N		100 101			97 101 1/2		
Stamped guaranteed		1977		79 Nov '10						West Shore 1st 4s guar		J-J		97 1/2 98 1/2			97 100 1/2		
Minn & St L 1st gold 7s. 1927		J-D		130 1/2			130 130 1/2			Registered		J-J		100 101 1/2			100 101 1/2		
Pacific Ext 1st gold 6s. 1921		A-O		106 1/2 109			106 1/2 109 1/2			N Y Cent Lines eq tr 4 1/2s 1923		J-J		97 1/2 98 1/2			97 100 1/2		
1st consol gold 5s. 1934		M-N		70 70 1/2			70 70 1/2			N Y New Haven & Hartford		J-J		94 1/2 Aug '11			93 1/2 94 1/2		
1st and refund gold 4s. 1946		M-S		78 1/2 79 1/2			78 1/2 79 1/2			Non-conv debent 4s. 1953		J-J		93 1/2 94 1/2			92 94 1/2		
Des M & Ft D 1st gu 4s. 1935		J-J		78 1/2 79 1/2			78 1/2 79 1/2			Non-conv 4s. 1956		M-N		93 1/2 94 1/2			92 94 1/2		
M StP & SSM con g 4s int gu. 1938		J-J		97 97 1/2			97 97 1/2			Conv debenture 3 1/2s. 1956		J-J		93 1/2 94 1/2			92 94 1/2		
M SSM & A 1st g 4s int gu. 1926		J-J		93 1/2 94 1/2			93 1/2 94 1/2			Conv debenture 6s. 1948		J-J		93 1/2 94 1/2			92 94 1/2		
Mississippi Central 1st 5s. 1949		J-J		93 1/2 94 1/2			93 1/2 94 1/2			Harlem R-Pt Ches 1st 4s. 1954		M-N		99 Oct '11			99 99		
Missouri Kansas & Texas										Cent New Eng 1st gu 4s. 1961		J-J		93 93			92 93 1/2		
1st gold 4s. 1990		J-D		97 1/2 Sale			97 1/2 97 1/2			Housatonic R cons g 5s. 1937		M-N		113 1/2 J'ne '11			113 1/2 113 1/2		
2d gold 4s. 1990		F-A		84 85			84 85			N H & Derby cons cy 5s. 1918		M-N		107 Aug '09					
1st ext gold 5s. 1944		M-N		102 Sale			102 102 1/2			New England cons 5s. 1945		J-J		99 1/2					
1st & refund 4s. 2004		M-S		80 1/2 81			80 80 1/2			Consol 4s. 1945		J-J		87 May '11			84 1/2 87		
Gen sinking fund 4 1/2s. 1936		J-J		88 1/2 Sale			88 1/2 88 1/2			Providence Secur deb 4s. 1957		M-N		94 1/2 94 1/2			94 1/2 94 1/2		
St Louis Div 1st ref g 4s. 2001		A-O		78 78 1/2			78 78 1/2			N Y O & W ref 1st g 4s. 1992		M-S		93 Oct '11			93 1/2 94 1/2		
Dal & Wa 1st gu g 5s. 1946		M-N		105 1/2 105 1/2			105 1/2 105 1/2			Registered \$5,000 only. 1992		M-S		91 Aug '11			91 1/2 92 1/2		
Kan C & Pac 1st g 4s. 1990		F-A		88 1/2 89 1/2			88 1/2 89 1/2			General 4s. 1955		J-D		102 1/2 Oct '11			102 1/2 103 1/2		
Mo K & E 1st gu g 5s. 1942		A-O		108 1/2 108 1/2			108 1/2 108 1/2			Norfolk & South 1st gold 5s. 1941		M-N		102 1/2 Oct '11			102 1/2 103 1/2		
M K & Ok 1st guar 5s. 1942		M-N		106 1/2 107 1/2			106 1/2 107 1/2			Norfolk & West gen gold 6s. 1931		M-N		123 1/2 Nov '11			123 1/2 124 1/2		
M K & T of T 1st gu g 5s. 1942		M-S		104 1/2 104 1/2			104 1/2 104 1/2			Improvement & ext g 6s. 1934		F-A		124 Sep '11			124 125		
Sher Sh & So 1st gu g 5s. 1943		J-D		104 1/2 104 1/2			104 1/2 104 1/2			New River 1st gold 6s. 1932		A-O		124 124 1/2			124 125		
Texas & Okla 1st gu g 5s. 1943		M-S		103 1/2 103 1/2			103 1/2 103 1/2			N & W Ry 1st cons g 4s. 1996		A-O		98 1/2 Sale			97 1/2 99 1/2		
Missouri Pac 1st cons g 6s. 1926		M-N		108 Sale			108 108 1/2			Registered		A-O		98 Jan '11			98 98		
Trust gold 5s stamped. 1917		M-S		100 100 1/2			100 100 1/2			Div'l 1st l & gen g 4s. 1944		J-J		93 1/2 94			91 1/2 94		
Registered		1917		99 Mech '10			99 99 1/2			10-25-year conv 4s. 1932		J-D		109 Sale			100 100 1/2		
1st collateral gold 5s. 1926		F-A		100 100 1/2			100 100 1/2			Pocah C & C joint 4s. 1941		J-D		91 93			88 1/2 93		
Registered		1926		99 Mech '10			99 99 1/2			C & T 1st guar gold 5s. 1922		J-J		104 1/2 Oct '11			104 1/2 104 1/2		
40-year gold loan 4s. 1945		M-S		74 1/2 Sale			74 1/2 75			Scho V & N F 1st g 4s. 1983		M-N		98 101 1/2			96 1/2 98		
3d 7s extended at 4%. 1938		M-N		88 Sale			88 88 1/2			Northern Pac prior l g 4s. 1997		Q-J		99 100			98 99 1/2		
1st & ref conv 5s. 1959		M-S		91 1/2 92			91 1/2 92			Registered		Q-J		99 Nov '11			98 99 1/2		
Cent Br Ry 1st gu g 4s. 1919		F-A		83 Nov '11			83 83 1/2			General lien gold 3s. 1907		Q-F		68 68 1/2			68 68 1/2		
Cent Br U P 1st g 4s. 1948		J-D		83 Nov '11			83 83 1/2			Registered		J-D		97 Sep '11			96 98		
Leroy & C V A L 1st g 5s. 1929		J-J		102 Mech '05			102 102 1/2			St Paul & Duluth Div g 4s. 1996		J-D		99 Feb '10			99 100		
Pac R of Mo 1st ext g 4s. 1938		F-A		96 1/2 97 1/2			96 1/2 97 1/2			Registered		M-S		115 1/2 Nov '11			115 1/2 116 1/2		
2d extended gold 5s. 1938		J-J		106 1/2 109 1/2			106 1/2 109 1/2			St P & N P gen gold 6s. 1923		F-A		114 1/2 Aug '11			114 1/2 115 1/2		
St L R M & S gen con g 5s. 1931		A-O		108 1/2 108 1/2			108 1/2 108 1/2			Registered certificates. 1923		F-A		107 1/2			107 1/2 J'ne '10		
Gen con stamp gu g 5s. 1931		A-O		111 Sep '09			111 Sep '09			St Paul & Duluth 1st 5s. 1931		F-A		101 1/2			102 1/2 J'ne '11		
Unified & ref gold 4s. 1929		J-J		82 Sale			82 82 1/2			2d 5s. 1917		J-D		92			96 1/2 Apr '10		
Registered		1929		84 1/2 84 1/2			84 1/2 84 1/2			1st consol gold 4s. 1908		J-D		91			91 1/2 Apr '10		
Riv & G Div 1st g 4s. 1933		M-N		84 1/2 84 1/2			84 1/2 84 1/2			Wash Cent 1st gold 4s. 1948		Q-M		89			91 1/2 Apr '11		
Verdi V I & W 1st g 5s. 1926		M-S		120 1/2 121			120 1/2 120 3/4			Nor Pac Term Co 1st g 6s. 1933		J-J		111 1/2 111 1/2			111 111 1/2		
Mob & Ohio new gold 6s. 1927		J-D		114 117			114 116 3/4			Pacific Coast Co 1st g 5s. 1946		J-D		104 1/2 105 1/2			104 1/2 104 1/2		
1st extension gold 6s. 1927		Q-J		85 1/2 87			85 87			enna RR 1st real est g 4s. 1923		M-N		100			100 1/2 Nov '11		
General gold 4s. 1938		M-S		110 110 1/2			110 111			Consol gold 5s. 1918		M-S		102 102 1/2			102 103 1/2		
Montgom Div 1st g 5s. 1947		F-A		82 85			81 Mech '11			Consol gold 4s. 1943		M-N		99 1/2 99 1/2			99 1/2 99 1/2		
St L & Calro coll g 4s. 1930		Q-F		93 1/2 93 1/2			93 1/2 94 1/2			Convertible gold 3 1/2s. 1912		J-D		97 Sale			96 1/2 97 1/2		
Guaranteed gold 4s. 1931		J-J		104 1/2						Convertible gold 3 1/2s. 1915		J-D		97 Sale			96 1/2 97 1/2		
Nashv Chatt & St Louis										Registered		J-D		102 1/2 Sale			102 1/2 102 1/2		
1st 7s. 1913		J-J		104 1/2 Sale			104 1/2 104 3/4			Consol gold 4s. 1948		M-N		99 1/2 100 1/2			99 1/2 Apr '11		
1st consol gold 5s. 1928		A-O		109 110 1/2			109 111			Alleg Val gen guar g 4s. 1942		M-S		101 102			101 1/2 102		
Jasper Branch 1st g 6s. 1923		J-J		113			115 1/2 Nov '10			D R R & Bee 1st g 4s 1936		F-A		101			102 Jan '03		
McM M W & Al 1st 6s. 1917		J-J		107 1/2			108 1/2 Dec '10			Phila Balt & W 1st g 4s. 1943		M-N		101			101 1/2 102 1/2		
T & P Branch 1st 4s. 1917		J-J		107 1/2			113 J'ly '04			Sod Bay & Sou 1st g 5s. 1924		J-J		97			102 Jan '03		
Nat Rys of Mex pr lien 4 1/2s. 1957		J-J		92 1/2 92 1/2			92 1/2 92 3/4			Sunbury & Lewis 1st g 4s 1936		J-S		103 1/2			103 1/2 May '10		
Guaranteed general 4s. 1977		A-O		85 87			85 85			U N J R R & Can gen 4s. 1944		M-S		103 1/2 104			103 1/2 103 3/4		
Nat of Mex prior lien 4 1/2s. 1926		J-J		99 1/2 99 1/2			100 1/2 Feb '11			Penna Co guar 1st g 4 1/2s. 1921		J-J		103 1/2 104			102 1/2 Mch '11		
1st consol 4s. 1951		A-O		79 1/2 79 1/2			79 1/2 Nov '11			Registered		J-J		88			90 Aug '10		
N O & N E prior lien g 6s. 1915		A-O		104 1/2						Guar 3 1/2s coll trust reg. 1937		M-N		88 1/2 89			88 89		
New Orleans Term 1st 4s. 1953		J-J		88 Sale			88 88			Guar 3 1/2s coll trust ser B. 1941		F-A		97 1/2 97 1/2			98 Nov '11		
N Y Central & Hud River										Trust Co certifs gu g 3 1/2s. 1916		M-N		97 1/2 97 1/2			98 Nov '11		
Gold 3 1/2s. 1997		J-J		87 88 1/2			87 90			Guar 3 1/2s trust etfs C. 1942		J-D		88 1/2 89			88 89		
Registered		1997		87 88 1/2			87 89 1/2			Guar 3 1/2s trust etfs D. 1944		J-D		88 1/2 89			88 89		
Debenture gold 4s. 1934		M-N		93 1/2 Sale			93 1/2 93 3/4			Guar 15-25 year g 4s. 1931		A-O		98 1/2 98 1/2			98 Nov '11		
Registered		1934		92 1/2 92 1/2			92 1/2 92 3/4			Cin Leb & Nor gu 4s g. 1942		M-N		96 1/2 97 1/2			96 1/2 J'ly '11		
Lake Shore coll g 3 1/2s. 1998		F-A		76 1/2 76 1/2			76 79 1/2			Cl & Mar 1st gu g 4 1/2s. 1935		M-N		103 1/2			110 Jan '05		
Registered		1998		76 1/2 76 1/2			76 79 1/2			Cl & P gen gu g 4 1/2s ser A. 1942		J-J		106 1/2			110 1/2 Jan '09		
Mich Cent coll gold 3 1/2s. 1998		F-A		77 1/2 77 1/2			77 78 Nov '11			Series B. 1942		A-O		91 1/2			96 Aug '09		
Registered		1998		77 1/2 77 1/2			77 78 Nov '11			Int reduced to 3 1/2s. 1942		A-O		91 1/2			96 Aug '09		
Beech Creek 1st gu g 4s. 1936		J-J		99 1/2 99 1/2			99 99			Series C 3 1/2s. 1948		M-N		91 1/2			90 May '08		
Registered		1936		99 1/2 99 1/2			99 99			Series D 3 1/2s. 1950		F-A		90 1/2			90 1/2 Apr '11		
2d guar gold 5s. 1936		J-J		106 1/2						Series E 3 1/2s. 1940		J-J		90 1/2			90 1/2 Apr '11		
Registered		1936		106 1/2						Series F 3 1/2s. 1940		J-J		90 1/2			90 1/2 Apr '11		
Beech Cr Ext 1st g 3 1/2s. 1951		A-O		90			97 1/2 Apr '09			Gr R & I ex 1st gu g 4 1/2s. 1941		J-J		10					

MISCELLANEOUS BONDS—Concluded.

Coal & Iron				Miscellaneous			
Buff & Susq Iron s f 5s.....	J-D	97	97 Feb '11	961 97	Adams Ex col tr g 4s.....	M-S	87 87 87
Debenture 5s.....	M-S	9114	91 Nov '11	89 91	Armour & Co 1st real est 4 1/2 s '39	J-D	92 92 92
Col F & I Cogen s f g 5s.....	F-A	9814 10038	98 Nov '11	97 10214	Bush Terminal 1st 4s.....	A-O	91 92 91
Col Fuel gen 6s.....	M-N	10734	10734 Nov '11	10734 10734	Consol 5s.....	J-J	99 Sale 9838
Col Indus 1st & coll 5s gu.....	F-A	73	74 Nov '11	73 7912	Chino Copper 1st conv 6s.....	J-J	11112 11212
Cons Ind Coal Me 1st 5s.....	J-D	8412	85 J'ne '11	85 85	Comstock Tunnel inc 4s.....	M-S	16 J'ne '11
Cons Coal of Md 1st & ref 5s 1950	A-O	9534	97 J'ne '11	96 97	Irrigation Wks & D of A 4 1/2 s '43	M-N	92 95 9318 Nov '11
Gr Rivy Coal & C 1st g 6s.....	J-D	90	10258 Apr '06	99 99	Int Mercan Marine 4 1/2 s.....	A-O	6678 Sale 6538
Kan & H C & C 1st s f g 5s.....	J-J	98	9812 99 Oct '11	99 99	Int Navigation 1st s f 5s.....	F-A	81 8212 82 8214 11
Pocah Con Collier 1st s f 5s.....	J-J	82	85 Apr '11	84 85	Mge Bond (N Y) ser 2-4s.....	A-O	8112 89 Apr '11
St L Rock Mt & P 1st 5s.....	J-J	8014	8412 J'ne '11	83 86	Morris & Co 1st s f 4 1/2 s.....	F-J	89 91 9112 Nov '11
Tenn Coal gen 5s.....	J-J	101 10314	10112 Nov '11	100 10412	N Y Dock 50-yr 1st g 4s.....	F-A	81 90 8212 Sep '11
Blrm Div 1st consol 6s.....	J-J	10312 104	104 104	10312 106	Nlag Falls Pow 1st 5s.....	J-J	10012 102 Apr '11
Tenn Div 1st g 6s.....	A-O	103 104 10414	104 Nov '11	10334 10512	Refunding & gen 6s.....	A-O	1932 1932
Cah C M Co 1st gu g 6s.....	J-D	110	110 Jan '09		Ontario Transmission 5s.....	M-N	92
Utah Fuel 1st g 5s.....	M-S				Pub Serv Corp N J gen 5s.....	A-O	9278 Sale 9278 93
Victor Fuel 1st s f 5s.....	J-J	85	8714 May '11	87 8812	St Jos Stk Yds g 4 1/2 s.....	J-J	87 10012 Sep '05
Va Iron Coal & Coke 1st g 5s.....	M-S	9512	94 9512	9112 98	Wash Water Pow 1st 5s.....	J-J	100 10212 Mch '11

*No price Friday; latest bid and asked aDue Jan dDue April eDue May gDue June hDue July kDue Aug oDue Oct pDue Nov qDue Dec sOption sale

CHICAGO STOCK EXCHANGE—Stock Record—Daily, Weekly and Yearly

STOCKS—HIGHEST AND LOWEST SALE PRICES.						Sales of the Week Shares	STOCKS CHICAGO STOCK EXCHANGE		Range since January 1		Range for Previous Year 1910.	
Saturday Nov 25	Monday Nov 27	Tuesday Nov 28	Wednesday Nov 29	Thursday Nov 30	Friday Dec 1		Lowest	Highest	Lowest	Highest	Lowest	Highest
*165 190	*165 190	*175 190	*170 190	Last Sale 190 Apr 11	190 Apr 11	-----	Chicago City Ry.....	100	185 Jan 11	190 Apr 28	160 Oct	185 Mch
*1 3	*1 3	*1 3	*1 3	Last Sale 112 July 11	112 July 11	-----	Chicago & Oak Park.....	100	112 J'ne 16	112 J'ne 16	112 J'ly	31 Jan
*3 5	*3 5	*3 5	*3 5	Last Sale 3 June 11	3 June 11	-----	Do pref.....	100	3 J'ne 16	6 Mch 23	4 J'ly	71 Jan
*28 30	*29 30	*29 30	*29 30	HOLI- DAY	-----	-----	Chic Elev Rys com.....	212	21 J'ly 12	30 Nov 14	-----	-----
*92 93 1/2	*92 93	*91 93	*91 93				Do pref.....	85	85 J'ly 19	94 Nov 15	-----	-----
*95 97	*95 97	*95 97	*95 97				Chic Rys part ctf "1".....	80	80 Apr 29	101 Aug 2	60 3/8 Sep	100 Jan
33 1/4 33 3/4	*33 1/4 33 3/4	33 1/2 33 3/4	33 1/2 33 3/4				Chic Rys part ctf "2".....	20 1/4	20 1/4 May 13	34 1/4 Aug 2	11 1/4 Sep	36 Jan
*10 1/4 10 3/4	*10 1/4 10 3/4	*10 1/2 11	*10 1/2 11				Chic Rys part ctf "3".....	8	8 May 13	12 1/2 Aug 3	8 May	16 Jan
*6 6 1/4	*5 5/4 6 1/2	*5 5/4 6 1/2	*5 5/4 6 1/2				Chic Rys part ctf "4".....	4 1/2	4 1/2 Mch 1	7 1/2 Aug 3	3 May	9 1/2 Jan
20 20	20 20	20 20	20 20				Chicago Subway.....	100	14 Nov 14	6 Mch 1	28 J'ne	6 1/4 Aug
*50 55	*50 53	52 52 1/2	52 52 1/2				Kans City Ry & Lt.....	100	15 Sep 25	25 Feb 23	20 Aug	39 Jan
*71 8	*73 8 1/2	*73 8 1/2	*73 8 1/2				Do pref.....	100	39 Sep 26	72 1/2 Feb 25	69 Feb	77 1/4 Mch
*38 40	*38 40	*38 40	*38 40	Last Sale 8 Nov 11	8 Nov 11	-----	Streets W Stable C L.....	100	8 Nov 22	13 1/4 Feb 23	7 J'ly	54 3/8 Jan
				Last Sale 38 Nov 11	38 Nov 11	-----	Do pref.....	100	38 Nov 21	50 Jan 9	40 J'ly	104 Jan
*11 3/4	11 3/4	11 3/4	11 3/4				Miscellaneous					
*90 90 1/2	91 1/4 92	91 1/4 92	91 1/4 92				American Can.....	100	9 Jan 16	12 1/2 May 9	6 3/8 J'ne	13 3/8 Jan
*304	*304	*304	*304				Do pref.....	100	76 3/8 Jan 7	93 Dec 1	62 1/2 J'ly	82 Jan
*128 1/4	*131 133	133 133	133 133	Last Sale 300 Nov 11	300 Nov 11	-----	American Radiator.....	100	265 Jan 9	304 Oct 11	240 Apr	261 Dec
*47 50	*47 48	*47 48	*47 48				Do pref.....	100	126 1/2 Mch 9	133 Nov 28	126 J'ly	135 Apr
*104 105 1/2	*105 105 1/2	*104 105 1/2	*104 105 1/2				Amer Shipbuilding.....	100	48 Nov 8	79 Feb 6	72 Feb	84 1/2 May
*141 1/2 142	*141 1/2 142	140 140	*138 1/2 139	Last Sale 106 1/2 Sep 11	106 1/2 Sep 11	-----	Do pref.....	100	106 1/2 Sep 6	113 May 18	107 Aug	112 Jan
*49 52	51 52 1/4	52 1/4 55	*52 1/4 54				Amer Telep & Teleg.....	110	131 1/8 Aug 30	152 1/4 J'ne 12	131 1/4 J'ly	142 1/2 Mch
	50 50	54 54	-----				Booth Fisheries com.....	35	35 Apr 28	59 1/4 Mch 4	31 J'ne	43 Dec
*70 74	74 75	75 76	75 76				Voting trust ctf.....	23	38 J'ne 14	57 3/4 Mch 9	29 Aug	41 Dec
*1 1 1/4	*49 52	*49 51	50 50				Do pref.....	100	60 Sep 22	82 Mch 21	56 J'ne	74 Jan
*6 8	*6 8	*6 8	*6 8				Cal & Chic Canal & D.....	100	49 1/2 Apr 24	52 Feb 2	46 Dec	55 Feb
45 1/2 45 1/2	*45 1/2 46	*45 45 1/2	*45 46	Last Sale 118 Oct 11	118 Oct 11	-----	Chic Brew'g & Malt'g.....	100	1 J'ly 20	11 1/4 J'ne 7	1 Feb	1 Feb
140 1/4 141 1/4	141 1/4 141 1/4	139 1/4 139 1/4	137 137 1/4	Last Sale 61 1/2 Nov 11	61 1/2 Nov 11	-----	Do pref.....	100	31 1/2 Mch 27	7 Nov 1	3 Sep	3 Sep
*170 172	*170 174	*170 172	*170 172				Chic Pneumatic Tool.....	100	39 1/2 Sep 22	55 1/2 Feb 23	25 1/2 J'ly	47 Dec
134 1/2 135	135 135	134 1/2 134 1/2	134 134 1/2				Chicago Telephone.....	100	115 Jan 25	141 1/4 Nov 25	110 May	137 Jan
							Chic Title & Trust.....	100	151 1/2 Jan 6	173 1/2 Oct 23	142 Aug	163 Mch
106 1/4 108 1/4	109 110 1/4	109 1/2 110 3/4	109 1/4 109 1/4				Commonw'th Edison.....	100	113 Jan 19	137 3/4 J'ly 15	108 1/2 J'ly	121 1/2 Jan
*101 1/4 102	101 3/4 101 3/4	101 3/4 101 3/4	101 3/4 102				Corn Prod Ref Co com.....	100	93 Oct 27	15 3/4 J'ne 15	13 1/2 J'ly	22 1/2 Jan
*56 1/2 57 1/2	*56 1/2 57 1/2	56 1/2 56 1/2	*56 57				Do do pref.....	100	78 Jan 18	78 Jan 18	79 1/4 Apr	82 Feb
							Diamond Match.....	100	92 1/2 Feb 10	110 1/4 Nov 28	32 1/2 Sep	127 Jan
*47 50	*47 50	*47 50	-----				Hart Saffner & Marx pl.....	100	100 Sep 22	103 3/4 J'ne 2	53 J'ly	91 Mch
*41 42	*40 1/2 41 1/2	41 41	*40 1/2 41 1/2				Illinois Brick.....	100	49 3/8 Sep 26	70 Jan 20	49 3/8 Aug	115 Nov
*93 93 3/4	93 3/4 93 3/4	93 1/2 93 1/2	93 1/4 93 1/4				Intersat Harvester Co.....	100	99 1/2 Sep 20	129 May 5	94 1/2 Aug	115 Nov
*139 141	*139 141	*139 140	*138 140				Masonic Temple.....	100	47 Jan 18	50 1/4 Aug 2	43 1/2 Mch	46 Jan
*126 128	*126 128	*125 129	*125 127				McCorm-Howell Co.....	100	38 1/2 Nov 2	67 Jan 3	40 Mch	67 1/2 Dec
*103 104	*103 105	*103 105	-----				Do pref.....	100	90 Oct 3	98 Feb 2	93 J'ne	102 1/2 Apr
*118 119	*118 119	*118 119	-----				National Biscuit.....	100	117 1/4 Jan 17	141 Nov 13	101 Aug	119 Dec
*105 105 1/2	105 1/2 105 1/2	105 1/2 105 1/2	*105 1/2 105 3/4				Do pref.....	100	123 Jan 3	130 Mch 31	118 J'ly	125 Jan
141 1/2 141 1/2	141 1/4 141 1/4	140 1/4 141	*140 141				National Carbon.....	100	100 Aug 18	120 Mch 14	104 Feb	145 Oct
*121 122	*121 122	*121 122	*121 122				Do pref.....	100	117 Sep 13	120 Mch 23	112 Feb	123 Nov
101 1/4 101 1/4	101 101 1/4	101 101 1/4	101 1/4 101 1/4				People's Gas & Coke.....	100	101 Sep 27	108 3/8 Jan 19	103 J'ly	115 1/2 Jan
*195 200	*195 200	*195 200	193 198				Sears-Roebuck com.....	100	123 3/4 Sep 21	192 3/4 Jan 31	148 Feb	186 1/2 Nov
*105 105 1/2	*105 105 1/2	105 105	*105 105 1/2				Do pref.....	100	116 Sep 25	122 Mch 11	116 1/2 Aug	122 Mch
17 1/8	*13 1/2 2	*17 2	*17 2				Swift & Co.....	100	97 3/4 Sep 25	104 J'ne 5	100 Dec	109 3/8 Jan
64 64 1/4	64 1/4 65 1/4	63 3/4 64 1/2	64 64 3/4				The Quaker Oats Co.....	100	165 Mch 7	198 Nov 2	155 J'ly	186 Feb
*14 16	*14 17	15 16	15 16				Do pref.....	100	102 1/2 Feb 1	107 1/2 J'ly 21	101 J'ly	106 Jan
							Unit Box Rd & P Co.....	100	112 Sep 12	7 Jan 3	5 1/4 Apr	15 3/8 Jan
							United States Steel com.....	100	50 1/2 Oct 27	81 3/8 Feb 6	15 J'ne	26 3/8 Dec
							Western Stone.....	100	14 Nov 23	25 Jan 27	-----	-----

Note.—Of local sheet n o longer rep orts transac tions of less than 10 shares.

Chicago Bond Record

BONDS CHICAGO STOCK EXCHANGE Week ending Dec. 1.		Interest Period	Price Friday Dec. 1.		Week's Range or Last Sale	Bids Sold	Range for Year 1911		
			Bid	Ask	Low	High	No.	Low	High
Amer Strawb'd 1st 5s. 1911	F - A	-----	-----	-----	100 1/2	Jan '11	-----	100 1/2	100 1/2
Armour & Co 4 1/2s. 1939	J - D	-----	-----	-----	92 1/4	Oct '11	-----	91 1/2	93 1/2
Booth Fish Co Deb 5s 17	J - J	-----	-----	-----	100	Mch '11	-----	99 1/2	100
Deb 5s 1924	J - J	-----	-----	-----	100	Mch '11	-----	90	100
Stink Rd Deb 6s tr rec	A - O	-----	-----	-----	98 1/2	Apr '11	-----	98 1/2	99
Calumet & South Chicago Ry 1st 5s. 1927	F - A	-----	-----	-----	99 1/4	July '11	-----	99 1/4	99 1/4
Cass Av & F G (St L) 5s 12	J - J	-----	-----	-----	101 1/4	Oct '09	-----	-----	-----
Ohio Board of Trade 4 1/2s 1927	J - D	-----	-----	-----	100	May '07	-----	-----	-----
Chicago City Ry 5s. 1927	F - A	1023 1/4	Sale	-----	1023 1/4	102 3/8	11	102 1/8	103 1/8
Chic Conso Br & Mlt 6s. 1913	J - J	-----	-----	-----	103	Apr '04	-----	-----	-----
Chic Conso Trac 4 1/2s 1939	J - J	-----	-----	-----	50	Apr '09	-----	-----	-----
Chic Auditorium 1st 5s 1929	F - A	-----	-----	-----	98 3/4	Jan '06	-----	-----	-----
Chicago Elev Ry 5s. 1914	J - J	-----	-----	-----	97 3/8	Oct '11	-----	97 3/8	99 3/8
Chic Jo RR 1st M g 5s. 1945	M - S	-----	-----	-----	94 1/2	Dec '09	-----	-----	-----
Chic No Shore Elec 6s. 1912	A - O	-----	-----	-----	87	Feb '06	-----	-----	-----
Chic Pac Foot 1st 5s. 1921	J - J	90	91	-----	89	Oct '11	-----	87 1/4	91
Chic Ry 5s. 1927	F - A	100 1/8	Sale	-----	100	100 1/8	41	97 3/8	100 1/4
Chic Rys 4-5s series "A"	A - O	96	Sale	-----	96	96	1	93 1/8	96
Chic Rys 4-5s series "B"	J - D	89 3/8	Sale	-----	89 3/4	90	66	82 1/8	90
Chic Rys 4-5s series "C"	F - A	91	-----	-----	91	Sep '11	-----	90	91
Chic Rys coll 6s. 1913	F - A	100	100 3/8	-----	100 1/8	100 3/8	39	99 3/8	100 3/8
Chic Rys Fund 6s. 1913	F - A	-----	-----	-----	100	Jan '11	-----	100	100
Chic Rys Tem Cts 1st 5s. 1913	-----	-----	-----	-----	100	Nov '11	-----	97 3/4	100
Chic R I & P RR 4s. 2002	M - N	-----	-----	-----	66 1/2	Aug '08	-----	-----	-----
Collat trust g 5s. 1913	M - S	-----	-----	-----	66 1/2	July '08	-----	-----	-----
Chic Telephone 5s. 1923	J - D	102 3/4	-----	-----	102 3/4	102 3/4	1	102	103 1/2
Commonw-Edition 5s. 1943	M - S	103	Sale	-----	103	103	4	100 1/2	103 1/8
Chic Edison deb 6s. 1913	J - J	-----	-----	-----	100 3/8	Nov '10	-----	-----	-----
1st g 5s. 1926	A - O	-----	-----	-----	100	Feb '11	-----	100	100
Debtenture 5s. 1920	M - S	102 3/8	103 1/8	-----	100 3/8	Aug '09	5	-----	-----
Commonw Elect 5 1/2s 1943	M - S	102 3/8	103 1/8	-----	103	103	5	100 3/4	103
Dia Match Con db 6s. 1920	J - D	109 3/4	Sale	-----	107 3/4	110 1/2	95	103 1/4	110 1/2
Illinois Tunnel 5s. 1928	J - D	-----	-----	-----	80	Dec '05	-----	-----	-----
Kan City Ry & Light Co 5s. 1913	M - N	-----	-----	-----	97 3/4	May '11	-----	96 3/8	97 3/4
Knick'b'ker Ice 1st 5s. 1928	A - O	-----	-----	-----	100	May '11	-----	97 3/4	100
Lake St El. 1st 5s. 1928	J - J	88	-----	-----	87 1/2	Nov '11	-----	77	89 1/2
Income 5s. 1925	Feb	-----	-----	-----	15	May '05	-----	-----	-----
Metr W Side El. 1st 4s. 1938	F - A	85 1/2	-----	-----	85 1/2	Nov '11	-----	82 1/8	86 3/4
Extension g 4s. 1938	J - J	81 1/2	Sale	-----	81 1/2	81 1/2	2	78 1/8	82 1/8
Morris & Co. 4 1/2s. 1939	J - J	89 3/8	Sale	-----	90	90	43	89 3/4	91 3/4
North West El 1st 4s. 1911	M - S	-----	-----	-----	100	July '11	-----	96 1/8	100
Northwestern Gas Light & Coke Co 5s. 1928	Q - M	99 1/2	100 1/2	-----	99 3/8	Oct '11	-----	99 1/2	100
Ogden Gas 5s. 1945	A - N	93 1/2	94 1/2	-----	95	Nov '11	-----	92	95
Pearsons-Taft 5s. 1916	J - L	98 1/2	-----	-----	100 3/8	Mch '09	-----	-----	-----
4.40s Series E. 1916	M - S	95	-----	-----	96 1/2	Mch '10	-----	-----	-----
4.60s Series E. 1916	M - N	96	-----	-----	97	Feb '10	-----	-----	-----
4.80s Series F. 1916	M - N	97 1/2	-----	-----	98 1/4	Nov '11	-----	98 1/4	98 3/4
Pco Gas L & C 1st 5s. 1945	A - O	-----	-----	-----	121 1/8	May '09	-----	-----	-----
Refunding g 5s. 1947	M - S	101 3/8	102 3/8	-----	102 1/4	102 1/4	1	101 3/4	102 3/8
Chic Gas L & C 1st 5s 1937	J - J	103 1/4	104	-----	103 1/4	Nov '11	-----	102 3/8	103 1/4
Consum Gas 1st 5s. 1936	J - D	101 1/2	102 3/8	-----	101 1/2	Sep '11	-----	101 1/2	102 1/2
Mut'l Fuel Gas 1st 5s 1947	M - N	101	101 1/2	-----	101	Nov '11	-----	101	101 1/2
South Side Elev 4 1/2s. 1924	J - J	95	95 1/2	-----	95 1/4	Nov '11	-----	93	95
Swift & Co 1st g 5s. 1914	J - J	100 1/4	-----	-----	100 1/4	Oct '11	-----	100	101
Union El (Loop) 5s. 1945	A - O	-----	-----	-----	88	Apr '10	-----	-----	-----
United Box Board coll 6s 26	J - J	-----	-----	-----	70	Apr '10	-----	56	60
General mtg 6s. 1925	J - J	-----	-----	-----	60	Mch '11	-----	58	63
Western Elec Co 5s. 1922	J - J	102	102 1/2	-----	102 3/8	Nov '11	-----	100 3/4	103
Note.—Accrued interest must be added to all Chicago bonds prices.									

BOSTON STOCK EXCHANGE—Stock Record, Daily, Weekly and Yearly

SHARE PRICES—NOT PER CENTUM PRICES.						Sales of the Week Shares.	STOCKS BOSTON STOCK EXCHANGE	Range since January 1. On basis of 100-share lots		Range for Previous Year (1910).	
Saturday Nov. 25	Monday Nov. 27	Tuesday Nov. 28	Wednesday Nov. 29	Thursday Nov. 30	Friday Dec. 1.			Lowest.	Highest.	Lowest.	Highest.
*107 1/4	107 1/4	*106 3/4	107 1/4	106	106	163	Railroads				
*103 1/4	103 1/4	*103 1/4	103 1/4	104	104	10	Atch Top & Santa Fe	100	100 1/2	91 1/2	123 1/4
222	222	222	222	222	222	194	Do pref.	100	101	71 1/2	104 1/4
129 1/2	129 1/2	129 1/2	130	129 1/2	129 1/2	371	Boston & Albany	100	219	213	234
*212	212	*212	212	*212	212	216	Boston Elevated	100	124 1/2	122	136 1/2
100	100	100	100	100	100	299	Boston & Lowell	100	207	200	221
*298	299	*298	299	*298	299	12	Boston & Maine	100	96 1/2	218	152
14	14	*12	15	*12	15	48	Boston & Providence	100	292	285	300
75	75	*74	75	*74	75	5	Boston Suburban El Cos.	100	12	14	16 1/2
*54	58	*54	58	*54	58	12	Do pref.	70	70	70	76
*162	162	*162	162	*162	162	57	Boston & Worcester Elec Cos.	100	381 1/2	8	101 1/2
*110	112	*110	112	*110	112	162 1/2	Do pref.	156	156	35	48
*271	271	*271	271	*271	271	271	Chic June Ry & USY	100	107	139	160
*126	127	*126	127	*126	127	125 1/4	Do pref.	197	197	109	118
*159	159	*159	159	*159	159	158	Connecticut River	100	265	260	270
*140	145	*140	145	*140	145	90 1/2	Fitchburg pref.	100	125	124 1/4	133 1/4
93 1/4	94	*93 1/4	94	*93 1/4	94	135	Ga Ry & Electric	100	117 1/2	104	125
142 1/4	142 1/4	*142 1/4	142 1/4	*142 1/4	142 1/4	224	Do pref.	100	86	85	90
*210	210	*210	210	*210	210	224	Do pref.	100	135	202	218
*188	190	*188	190	*188	190	233 1/2	Mass Electric Cos.	100	16	14 1/4	21 1/2
*37 1/2	40	*37 1/2	40	*37 1/2	40	139 1/2	N Y N H & Hartford	100	83 1/2	75	88 1/2
*106	107	*106	107	*106	107	213	Northern N H	100	127 1/4	149	164 1/2
*101 1/2	101 1/2	*101 1/2	101 1/2	*101 1/2	101 1/2	173 1/2	Norwich & Wor pref.	100	139	139	141
176 1/2	176 1/2	*176 1/2	177 1/2	*176 1/2	177 1/2	92 1/4	Old Colony	100	210	151 1/4	200
*93 1/2	94 1/2	*93 1/2	94 1/2	*93 1/2	94 1/2	87 1/2	Rutland pref.	100	183	181 1/4	200
*162	162	*162	162	*162	162	103 1/2	Do pref.	32	32	25	44 1/2
87 1/2	87 1/2	*87 1/2	87 1/2	*87 1/2	87 1/2	102	Do pref.	105 1/2	112	103	116
*101	103 1/2	*101	103 1/2	*101	103 1/2	173 1/2	Union Pacific	100	297 1/2	98 1/2	106
55	55	*55	55	*55	55	92 1/4	Do pref.	153 1/2	292 1/2	153 1/4	204 1/4
102 1/2	102 1/2	*102 1/2	102 1/2	*102 1/2	102 1/2	87 1/2	Vermont & Mass.	100	166	154	168
15 1/4	15 1/4	*15 1/4	15 1/4	*15 1/4	15 1/4	79 1/2	West End St.	50	85	83	95 1/2
*117 1/2	118 1/4	*117 1/2	118 1/4	*117 1/2	118 1/4	100	Do pref.	100	109	99	109
116 1/2	116 1/2	*116 1/2	117	*116 1/2	117	531 1/2	Miscellaneous				
141 1/4	141 1/4	*141 1/4	140	*141 1/4	140	102 1/2	Amer Agricul Chem	100	48	36	49 1/2
87 1/2	88	*87 1/2	88	*87 1/2	88	155 1/2	Do pref.	99	99	98 1/2	105
80	80	*80	80	*80	80	44	Amer Pneu Service	50	31 1/2	4	87
100	100	*100	100	*100	100	154	Do pref.	50	12 1/2	133 1/4	24
*71 1/2	81 1/2	*71 1/2	81 1/2	*71 1/2	81 1/2	116 1/2	Amer Sugar Refn	100	112	111	127 1/2
16 1/2	17	*16 1/2	17	*16 1/2	17	115	Do pref.	100	111 1/2	111 1/2	124
156 1/4	156 1/4	*156 1/4	156 1/4	*156 1/4	156 1/4	138 1/2	Amer Telep & Teleg	100	131 1/2	127 1/4	143 1/2
*91 1/4	93 1/4	*91 1/4	93 1/4	*91 1/4	93 1/4	281 1/2	Amercan Woolen	100	27 1/2	26	39 1/2
112	112	*112	112	*112	112	87 1/2	Do pref.	85 1/2	85 1/2	90 1/2	104 1/4
287	287	*287	287	*287	287	79 1/2	At Gulf & W I S S L	100	71 1/2	7	11 1/2
156	156	*156	156	*156	156	155 1/2	Do pref.	141 1/2	141 1/2	16	28
*91 1/4	91 1/4	*91 1/4	91 1/4	*91 1/4	91 1/4	93 1/4	Cumb Telep & Teleg	100	145 1/4	138 1/2	152 1/2
96	96	*96	96	*96	96	290	East Boston Land	10	71 1/2	71 1/2	115 1/2
*235	235	*235	235	*235	235	89 1/2	Eastern Steamship	100	78 1/2	70	86
*103 1/4	104 1/2	*103 1/4	105	*103 1/4	105	95 1/2	Edison Elec Illum	100	275	239	292 1/2
101	102	*101	101 1/2	*101	101 1/2	95 1/2	General Electric	100	142	135	160 1/2
150	150	*150	150	*150	150	229	Massachusetts Gas Cos	100	87 1/2	76 1/2	91 1/2
*102 1/2	102 1/2	*102 1/2	102 1/2	*102 1/2	102 1/2	312	Do pref.	94 1/2	94 1/2	89	97
159	159	*159	159 1/2	*159	159 1/2	105	Mergenthaler Lino	100	211	212 1/2	226
*113 1/4	131 1/4	*113 1/4	123 1/4	*113 1/4	131 1/4	98	Mexican Telephone	10	3	23 1/2	64 1/2
101	101 1/2	*101	101 1/2	*101	101 1/2	100	N E Cotton Yarn	100	103	107	124
293 1/2	293 1/2	*293 1/2	293 1/2	*293 1/2	293 1/2	123	Do pref.	101	101	99 1/2	115
*28 1/2	30	*28 1/2	30	*28 1/2	30	150 1/2	Pacific Coast Power	100	137	129 1/2	133 1/4
195 1/2	196	*195 1/2	197	*195 1/2	197	150 1/2	Portland (Me) Elec	100	96	93 1/4	100
49 1/4	49 1/4	*49 1/4	49 1/4	*49 1/4	49 1/4	159	Pullman Co	100	153	153	200
*27 1/2	27 1/2	*27 1/2	28	*27 1/2	28	123 1/2	Reece Button-Hole	10	212	114	14
63 1/2	64 1/2	*63 1/2	64 1/2	*63 1/2	64 1/2	101	Swift & Co	100	97 1/4	100	109 1/4
109	109 1/4	*109	109 1/4	*109	109 1/4	29 1/2	Torrington	25	29	28	37
*5	5 1/4	*5	5 1/4	*5	5 1/4	195 1/2	Do pref.	25	27	27	31
41 1/4	41 1/4	*41 1/4	41 1/4	*41 1/4	41 1/4	47 1/2	United Fruit	100	180	165 1/2	200
36 1/2	36 1/2	*36 1/2	36 1/2	*36 1/2	36 1/2	27 1/2	Un Shoe Mach Corp	25	40 1/4	40 1/4	71 1/4
62 1/4	62 1/4	*62 1/4	62 1/4	*62 1/4	62 1/4	28	Do pref.	25	26 1/2	25 1/4	31
26 1/2	26 1/2	*26 1/2	26 1/2	*26 1/2	26 1/2	62 1/2	U S Steel Corp	100	50	61 1/2	90 1/4
*35	35	*35	35	*35	35	108 1/4	Do pref.	103 1/2	120 1/2	111	125 1/2
51 1/2	51 1/2	*51 1/2	51 1/2	*51 1/2	51 1/2	312	Adventure Con.	25	4	4	10
171 1/2	171 1/2	*171 1/2	171 1/2	*171 1/2	171 1/2	37 1/2	Argomah Mining	25	21 1/2	7 1/2	13
400	400	*400	400	*400	400	34	Allouez	25	21 1/2	39	58
*121 1/2	121 1/2	*121 1/2	121 1/2	*121 1/2	121 1/2	61 1/2	Amalgamated Copper	100	44 1/2	55 1/4	90 1/4
103	103	*103	103	*103	103	25 1/2	Am Zinc Lead & Sm.	25	19 1/2	19 1/2	40 1/2
59	59	*59	59 1/2	*59	59 1/2	35 1/2	Arizona Commercial	25	10	12 1/4	50 1/4
*51 1/4	51 1/4	*51 1/4	51 1/4	*51 1/4	51 1/4	35	Bonanza Dev Co	10	30	30	70
112 1/2	112 1/2	*112 1/2	112 1/2	*112 1/2	112 1/2	61 1/2	Bos & Corb Cop & S M	5	34	15 1/2	24 1/4
41 1/4	41 1/4	*41 1/4	41 1/4	*41 1/4	41 1/4	38 1/2	Butte-Balaklava Cop	10	3	4 1/2	18 1/4
31	31	*31	31	*31	31	17 1/2	Butte Coalition	15	14	15 1/2	28 1/2
8 1/4	8 1/4	*8 1/4	8 1/4	*8 1/4	8 1/4	55 1/2	Calumet & Arizona	10	45	45 1/2	103
213 1/4	213 1/4	*213 1/4	213 1/4	*213 1/4	213 1/4	392	Calumet & Hecla	25	360	546	68
*114	114	*114	114	*114	114	113 1/2	Centennial	25	8	15 1/2	38
111 1/2	111 1/2	*111 1/2	111 1/2	*111 1/2	111 1/2	53	Conglomerate	1	103	104	16
8 13-16	8 13-16	*8 13-16	8 13-16	*8 13-16	8 13-16	53 1/2	Copper Range Con Co	100	46 1/2	46 1/2	58
40	40	*40	40	*40	40	55 1/2	Daly-West	20	3	3 1/2	5 1/2
87	87	*87	87 1/2	*87	87 1/2	11	East Butte Cop Min	10	8 1/2	6 1/2	14
191 1/2	191 1/2	*191 1/2	191 1/2	*191 1/2	191 1/2	8 1/2	Franklin	25	5 1/2	5 1/2	22 1/2
31 1/4	31 1/4	*31 1/4	31 1/4	*31 1/4	31 1/4	23 1/4	Grover Consolidated	5	3 1/2	3 1/2	6
70	70	*70	70	*70	70	30	Granby Consolidated	100	26	26	20
34 1/4	34 1/4	*34 1/4	34 1/4	*34 1/4	34 1/4	8	Greene Cananea	20	5 1/2	5 1/2	6 1/2
29 1/2	29 1/2	*29 1/2	29 1/2	*29 1/2	29 1/2	24	Hancock Consolidated	25	17	30 1/4	14 1/2
91 1/4	91 1/4	*91 1/4	91 1/4	*91 1/4	91 1/4	11 1/4	Helvetia Copper	25	3 1/2	2	13
*71 1/2	71 1/2	*71 1/2	71 1/2	*71 1/2	71 1/2	98 1/2	Indiana Mining	25	5 1/4	16	44 1/2
214	214	*214	214	*214	214	40	Inspiration Copper	10	5 1/2	9 1/4	30 1/2
221 1/2	221 1/2	*221 1/2	221 1/2	*221 1/2	221 1/2	87	Island Creek Coal	1	29 1/4	41 1/4	110 1/2
47 1/2	47 1/2	*47 1/2	47 1/2	*47 1/2	47 1/2	138	Do pref.	82 1/2	82 1/2	84 1/2	109
185 1/2	185 1/2	*185 1/2	185 1/2	*185 1/2	185 1/2	78 1/2	Isle Royale Copper	25	11 1/2	13 1/2	28 1/2
3	3	*3	3	*3	3	183 1/2	Kerr Lake	5	26 1/2	26 1/2	11
71 1/2	71 1/2	*71 1/2	71 1/2	*71 1/2	71 1/2	22 1/2	Keweenaw Copper	25	12	3 1/2	64
23	23	*23	23 1/2	*23	23 1/2	32 1/2	Lake Copper Co	25	22	24	28 1/2
61 1/2	61 1/2	*61 1/2	61 1/2	*61 1/2	61 1/2	45 1/2	La Salle Copper	25	3	6	19
44 1/4	44 1/4	*44 1/4	44 1/4	*44 1/4	44 1/4	30 1/2	Live Oak Developmt	10	20 1/4	31	Nov 23
47	47	*47	47	*47	47	91 1/2	Mason Valley Mines	5	6 1/2	10 1/4	May 29
99	99	*99	99	*99	99	78 1/2	Mass Consol	25	4 1/2	3 1/2	10 1/2
*10	11	*10	11								

BONDS										BONDS									
BOSTON STOCK EXCHANGE										BOSTON STOCK EXCHANGE									
Week Ending Dec. 1										Week Ending Dec. 1									
Interest Period										Interest Period									
Price Friday Dec. 1										Price Friday Dec. 1									
Week's Range or Last Sale										Week's Range or Last Sale									
Range Since January 1										Range Since January 1									
Bid Ask										Bid Ask									
Low High										Low High									
No.										No.									
Low High										Low High									
Am Agricul Chem 1st 5s.....	1928	A-O								Illinois Steel debent 5s.....	1913	A-O							
Am Telep & Tel coll tr 4s.....	1929	J-J	901 ²	Sale	903 ³	903 ³				1a Falls & Sioux C 1st 7s.....	1917	A-O	1001 ²	1005 ²		2	100	102 ³	
Convertible 4s.....	1936	M-S	111		111 ¹	Nov ¹				Kan C Clin & Spr 1st 5s.....	1925	A-O			941 ¹	Feb ¹			
Am Writ Paper 1st s f 5s g.....	1919	J-J			98 ³	Oct ¹				Kan C Ft Scott & Mem 6s.....	1928	M-N	117 ¹	Sale	117	117 ¹		115	
Am Zinc L & S deb 6s.....	1915	M-N	108	115	104	Nov ¹				Kan C M & B gen 4s.....	1934	M-S	92		92	92	2	92	
Ariz Com Cop 1st conv 6s.....	1920	J-D	44	Sale	40	44		17	36	Assented income 5s.....	1934	M-S		89	89	Nov ¹		88	
Atch Top & S Fe gen g 4s.....	1995	A-O	99	Sale	99	99		1	98	Kan C & M Ry & Br 1st 5s.....	1929	A-O	102 ³	103	102 ¹		102		
Adjustment g 4s.....	July 1995	Nov	911 ⁴	921 ⁴	911	Sep ¹			91	Maine Cent cons 1st 7s.....	1912	A-O			102 ³	Feb ¹		102 ³	
Stamped	July 1995	M-N	911 ⁴	921 ⁴	92	May ¹			91	Cons 1st 4s.....	1912	A-O			101 ¹	Sep ¹			
50-year conv 4s.....	1955	J-D			113	J'y ¹			109 ³	Marq Hough & Ont 1st 6s.....	1925	A-O			115	J'ne ¹			
10-year conv 5s.....	1917	J-D			110 ³	Mch ¹			108 ¹	Mass Gas 4 1/2s.....	1929	J-J	991 ²	100	991 ²			991 ²	
Atl Gulf & W I S S Lines 5s.....	1959	J-J		70	67	701 ²		15	63 ⁴	Mich Telephone 1st 5s.....	1917	J-J			991 ²	May ¹		991 ²	
Boston & Lowell 4s.....	1916	J-J			100 ¹	Mch ¹				New Eng Cotton Yarn 5s.....	1929	F-A	901 ³	Sale	901 ³			901 ³	
Boston & Maine 4 1/2s.....	1944	J-J			104 ¹	Oct ¹				New Eng Teloph 5s.....	1915	A-O			101 ³	Mch ¹		101 ³	
Bur & Mo Riv cons 6s.....	1918	J-J			103	Jan ¹			103	5s.....	1916	A-O			1001 ²	Sep ¹			
Cedar Rap & Mo R 1st 7s.....	1916	M-N			111 ³	Sep ¹			111 ³	New England cons g 5s.....	1945	J-J			98 ³	Sep ¹		98 ³	
Cent Vermt 1st g 4s.....	May 1920	Q-F		901 ²	90	Nov ¹			87 ²	Boston Term 1st 4s.....	1939	A-O							
C B & Q Iowa Div 1st 5s.....	1919	A-O			1103	Oct ¹				New River (The) conv 5s.....	1934	J-J			75	Oct ¹			
Iowa Div 1st 4s.....	1919	A-O			99	Feb ¹				N Y N H & H con deb 3 1/2s.....	1956	J-J			96 ³	May ¹		96 ³	
Debenture 5s.....	1913	M-N			100 ³	Oct ¹			100 ³	Conv deb 6s (ctfs).....	1948	J-J			1291 ²	Oct ¹		1291 ²	
Denver Exten 4s.....	1922	F-A			99 ³	Sep ¹			99 ³	Old Colony gold 4s.....	1924	F-A			101	Apr ¹		101	
Nebraska Exten 4s.....	1927	M-N			99 ¹	May ¹			98 ³	Oregon Ry & Nav con g 4s.....	1946	J-D			98 ³	Sep ¹		98 ³	
B & S W s f 4s.....	1921	M-S			99 ¹	Feb ¹			99 ¹	Oreg Sh Line 1st g 6s.....	1922	F-A			113	Oct ¹		113	
Illinois Div 3 1/2s.....	1949	J-J	87 ³		87 ¹	Nov ¹			87 ³	Pere Marquette deb g 6s.....	1912	J-J			98	J'ne ¹		98	
Chic Jct Ry & Stk Yds 5s.....	1915	J-J	1011 ⁴	Sale	1011 ⁴			8	100	Repub Valley 1st s f 6s.....	1919	J-J			103	Jan ¹		103	
Coll trust refunding g 4s.....	1940	A-O	871 ²		871 ⁴	Nov ¹			871 ⁴	Savannah Elec 1st cons 5s.....	1952	J-J			701	Dec ¹			
Ch Milw & St P Dub D 6s.....	1920	J-J			114	Jan ¹			114	Seattle Elec 1st g 5s.....	1930	F-A	1041 ²	1041 ²	1041 ²		104		
Ch M & St P Wls V div 6s.....	1920	J-J			113 ³	Feb ¹			113 ³	Shannon-Ariz 1st g 6s.....	1919	M-N			80	80	1	80	
Ch & No Mich 1st g 5s.....	1931	M-N	981 ⁴	100	100 ¹	J'ne ¹			981 ²	Terre Haute Elec g 5s.....	1929	J-J			97	Apr ¹		97	
Chic & W Mich gen 5s.....	1921	J-D	100	101	100			1	991 ²	Torrington 1st g 5s.....	1918	M-S			100 ³	Mch ¹		100 ³	
Concord & Mont cons 4s.....	1920	J-D			97 ¹	Sep ¹			97 ¹	Union Pac RR & Igr g 4s.....	1947	J-J			100 ³	Oct ¹		100 ³	
Cudahy Pack (The) 1st g 6s.....	1924	M-N			1001 ⁴	Aug ¹				20-year conv 4s.....	1927	J-J			104 ³	Apr ¹		104 ³	
Current River 1st 5s.....	1926	A-O		100	97	Mch ¹			97	United Fruit gen s f 4 1/2s.....	1923	J-J	96	961 ⁴	961 ⁴		957 ³		
Det Gr Rap & W 1st 4s.....	1946	A-O	851 ²		851 ²	Oct ¹			851 ²	Debenture 4 1/2s.....	1925	J-J	961 ³	Sale	961 ³		951 ²		
Dominion Coal 1st s f 5s.....	1940	M-N	971 ²	981 ²	97 ³	Nov ¹			95 ⁴	U S Steel Co 10-60-yr 5s Apr 1963.....	1963	M-N	1011 ⁴	Sale	1011 ⁴		100		
Fitchburg 4s.....	1915	M-S			103 ³	Apr ¹				West End Street Ry 4s.....	1915	F-A			991 ³	Sep ¹		981 ²	
4s.....	1927	M-S			96	Apr ¹				Gold 4 1/2s.....	1914	M-S			1001 ²	May ¹		1001 ²	
Fremt Elk & Mo V 1st 6s.....	1933	A-O			128	J'y ¹			127 ⁴	Gold debenture 4s.....	1916	M-N			981 ²	Apr ¹		981 ²	
Unstamped 1st 6s.....	1933	A-O			140	Apr ¹				Gold 4s.....	1917	F-A			981 ²	Nov ¹		981 ²	
General Motors 1st 5-yr 6s.....	1915	A-O	981 ²	98 ³	971 ³	Sep ¹			971 ²	Western Teleph & Tel 5s.....	1932	J-J	99 ³	Sale	99 ³		99 ³		
Gt Nor C B & Q coll tr 4s.....	1921	J-J	961 ⁴	Sale	961 ²			54	951 ²	Wisconsin Cent 1st gen 4s.....	1949	J-J	931 ⁴		931 ⁴		931 ⁴		
Registered 4s.....	1921	O-J	961 ⁴		961 ⁴				95 ³										

Volume of Business at Stock Exchanges

TRANSACTIONS AT THE NEW YORK STOCK EXCHANGE
DAILY WEEKLY AND YEARLY.

Week ending Dec. 1 1911.	Stocks.		Railroad, &c., Bonds.	State Bonds.	U. S. Bonds.
	Shares	Par value.			
Saturday	157,741	\$14,936,600	\$1,325,000	\$29,000	
Monday	503,179	47,105,400	2,827,000	153,000	\$5,000
Tuesday	584,885	52,416,000	4,603,500	111,000	5,500
Wednesday	600,365	52,835,500	5,412,500	157,000	10,000
Thursday					
Friday	265,514	23,341,950	4,181,500	113,000	25,000
Total	2,112,184	\$190,635,450	\$18,349,500	\$563,000	\$45,500

Sales at New York Stock Exchange.	Week ending Dec. 1.		Jan. 1 to Dec. 1.	
	1911.	1910.	1911.	1910.
Stocks—No. shares	2,112,184	3,916,219	118,426,939	157,080,586
Par value	\$190,635,450	\$346,590,850	\$10,685,000,600	\$14,021,402,825
Bank shares, par	\$5,000	\$19,300	\$1,512,600	\$1,076,600
Bonds.				
Government bonds	\$45,500	\$5,000	\$3,326,500	\$359,200
State bonds	\$63,000	\$29,500	\$9,415,100	\$9,892,550
RR. and misc. bonds	\$18,349,500	\$9,244,500	\$710,574,200	\$545,778,200
Total bonds	\$18,958,000	\$9,679,000	\$803,316,100	\$586,029,950

DAILY TRANSACTIONS AT THE BOSTON AND PHILADELPHIA
EXCHANGES.

Week ending Dec. 1 1911.	Boston.			Philadelphia.		
	Listed shares.	Unlisted shares.	Bond sales.	Listed shares.	Unlisted shares.	Bond sales.
Saturday	10,085	14,560	\$21,000	3,389	2,874	\$37,200
Monday	21,480	21,702	34,500	11,068	12,585	54,900
Tuesday	25,277	15,812	94,000	7,287	11,095	15,800
Wednesday	16,250	17,112	45,000	8,617	7,763	95,600
Thursday						
Friday	16,506	13,255	46,000	3,873	2,753	38,100
Total	89,598	82,441	\$240,500	34,234	37,070	\$241,600

Inactive and Unlisted Securities

All bond prices are now "and interest" except where marked "f."

Street Railways		Bid	Ask	Street Railways		Bid	Ask
New York City				Pub Serv Corp N J (Con)—			
Bleeck St & Fulton Stk. 100	18	23		Newk Pas Ry 5s '30—J-J	107 1/2	---	---
1st mtge 4s 1950—J-J	61 1/2	63		Rapid Tran St Ry—100	235	240	
B'y & 7th Ave Stk. 100	140	150		1st 5s 1921—A-O	103	---	---
2d mtge 5s 1914—J-J	99	101		J C Hob & Paterson—			
Con 5s 1914—See Stock	Exc	Exc		4s g 1949—M-N	75 1/4	76 1/2	
B'way Surface 1st 5s gu 1924	101 1/2	103		So J Gas El & Trac—100	125	---	---
Cent'l Crostown stock, 100	---	90		Gu g 5s 1953—M-S	98 1/2	99 1/2	
1st mtge 6s 1922—M-N	80	85		No Hud Co Ry 6s 1914 J-J	101 1/2	102 1/2	
Cent Pk N & E Riv stock, 100	10	20		5s 1928—M-N	102	---	---
Christoph'l & 10th St Stk 100	90	110		Ext 5s 1924—M-N	100	---	---
Col & 9th Ave 5s—See Stock	Exc	Exc		Pat Ry con 6s 1931—J-D	114	---	---
Dry Dock E B & B—				2d 6s opt 1914—A-O	101	103	
1st gold 5s 1932—J-D	97	103		So Side El (Chic)—See Chic	101 1/2	102 1/2	
Scrip 5s 1914—F-A	38	45		Syracuse R T 5s 1946—M-S	101 1/2	102 1/2	
Elighth Avenue stock, 100	275	310		Trent P & H 5s 1943—J-D	95	100	
Scrip 6s 1914—F-A	95	100		United Rys of St L—			
42d & Gr St P'y stock, 100	200	230		Com vot tr cts.—100	83 1/4	9	
42d St M & St N Ave—100	---	---		e Preferred—100	38	38 1/2	
2d income 6s 1915—J-J	40	---		Gen 4s 1934—See Stock	Exc	Exc	
Inter-Met—See Stock Exch	ange	Exc		Unit Rys San Fran—See Stk	Exc	Exc	
Lex Av & Pav F 5s—See Stk	Exc	Exc		Wash Ry & El Co.—100	45	46 1/2	
Metropoli St Ry—See Stk	Exc	Exc		Preferred—100	87 1/4	88	
Ninth Avenue stock, 100	150	175		4s 1951—J-D	87	87 1/4	
Second Avenue stock, 100	8	12		Gas Securities			
Consol 5s 1918—F-A	42	45		New York			
6th Avenue stock, 100	115	123		Cent Un Gas 5s 1927—J-J	102	103 1/2	
8th Avenue stock, 100	63	75		Con Gas (N Y)—See Stock	Exc	Exc	
80 Fer 1st 5s 1919—A-O	85	95		e Mutual Gas—100	163	171	
Third Avenue Rly—See Stk	Exc	Exc		New Amsterdam Gas—			
Tarry W P & M 5s 1928—	60	80		1st consol 5s 1948—J-J	101 1/2	102 1/2	
Y'kers St RR 5s 1946—A-O	82	86		N Y & E R Gas 1st 5s '44 J-J	104	106	
23rd & 29th Sts 5s '96—A-O	19 1/2	23		Consol 5s 1945—J-J	101	103	
Twenty-third St stock, 100	190	215		N Y & Richmond Gas—100	35	50	
Union Ry 1st 5s 1942—F-A	103	104		Nor Un 1st 5s 1927—M-N	99	101	
Westchester 1st 5s '43 J-J	70	80		e Standard Gas com.—100	60	---	---
Brooklyn				e Refe red—100	95	---	---
Atlantic Ave Rly—				1st 5s 1930—M-N	104	106	
Con 5s g 1931—A-O	160	102 1/2		Other Cities.			
B B & W E 5s 1933—A-O	98	102		Am Gas & Elec com.—50	65	67	
Brooklyn City Stock—10	162	167		Preferred—50	44	45	
Con 5s—See Stock Exch	ange	Exc		Amer Light & Tract.—100	292 1/2	295	
Bklyn Hgts 1st 5s 1941 A-O	93	102		Preferred—100	106 1/2	108	
Bklyn Queens Co & Sub—				Amer Power & L. com.—100	76	78	
e 1st g 5s '41 op 1916 J-J	98	101		Preferred—100	82 1/2	83 1/2	
e 1st con 5s '41 op '16 M-N	95 1/2	98		Bay State Gas—50	88	92	
Bklyn Rap Tran—See Stock	Exc	Exc		Bingh'ton (N Y) Gas Wks			
Coney Isl & Bklyn—100	50	60		1st g 5s 1938—A-O	98	100	
1st cons g 4s 1948—J-J	75	82		Brooklyn Un Gas—See Stk	Exc	Exc	
Con g 4s 1955—J-J	75	80		Buffalo City Gas stock—100	3	5	
Brk O & N 5s 1939—J-J	98	101		1st 5s 1947—See Stock	Exc	Exc	
Kings Co El 4s—See Stock	Exc	Exc		Cities Service Co.—100	78 1/2	80 1/4	
Nassau Elec pref.—100	---	---		Preferred—100	---	---	
5s 1944—A-O	101	103		Con Gas of N J 6s 1936—J-J	91	95	
1st 4s 1951—See Stock	Exc	Exc		Consumers' L H & Pow—			
N W'b'g & Flat 1st ex 4 1/2s	90	94		5s 1938—J-D	100	---	---
Steinway 1st 6s 1922—J-J	100	104		Denver Gas & Elec.—100	200	---	---
Other Cities				Gen g 5s 1949 op—M-N	93	95	
Buffalo Street Ry—				Elizabeth Gas Lt Co—100	300	---	---
1st consol 5s 1931—F-A	104 1/2	106		Essex & Hudson Gas—100	134	136	
Deb 6s 1917—A-O	103 1/2	105		Gas & El Bergen Co—100	84	87	
Columbus (O) St Ry—100	---	80		e Gr Rap 1st 5s 1915—F-A	99 1/4	101	
Preferred—100	90 1/4	95 1/4		Hudson Co Gas—100	131	135	
Colum Ry con 5s 1932 J-J	102	107		e 1st 5s 1949—M-N	104 1/4	105 1/4	
Crosst'n 1st 5s 1933—J-D	101	102		Indiana Lighting Co.—100	36	39	
e Conn Ry & Ltg com.—100	75 1/4	76 1/2		4s 1958 op—F-A	67	69	
e Preferred—100	80	81 1/2		Indianapolis Gas—50	---	20	
1st & ref 4 1/2s—See Stock	Exc	Exc		1st g 5s 1952—A-O	70	80	
Grand Rapids Ry pref.—100	80	82		Jackson Gas 5s g 1937—A-O	97	---	---
e Louisville 5s 1930—J-J	103 1/2	106 1/4		e Laclede Gas—See Stock	Exc	Exc	
Lynn & Bos 1st 5s 1924 J-D	104 1/4	105 1/4		e Preferred—100	99	100	
e New Ori Rys & Ltg.—100	33 1/2	---		Madison Gas 6s 1926—A-O	104	109	
e Preferred—100	79 1/2	---		Newark Gas 6s 1944—Q-J	125	127	
Gen M g 4 1/2s 1935—See Stk	Exc	Exc		Newark Consol Gas—100	97	---	---
e Pub Serv Corp of N J—See	Stk	Exc		e Con g 5s 1948—J-D	104 1/4	---	---
Tr cts 2% to 6% perpet	105	106		No Hudson L H & Pow—			
North Jersey St Ry—100	80	---		5s 1938—A-O	100	---	---
1st 4s 1948—M-N	77 1/2	78 1/2		Pacific Gas & E. com.—100	246	46 1/2	
Cons Tract of N J—100	75	76		Preferred—100	88 1/2	90	
1st 5s 1933—J-D	104 1/2	105 1/2		Pat & Pas Gas & Elec.—100	91	---	---
				e Con g 5s 1949—M-S	101 1/4	---	---
				St Joseph Gas 5s 1937—J-J	90	95	

*Per share. d Basis. e Sells on Stock Exchange; but not very active. f Flat price. n Nominal. s Sale price. i New stock. s Ex-div. y Ex-rights.

Electric Companies		Bid	Ask	Industrial and Miscel		Bid	Ask
Chicago Edison Co—See Chic	cago	list		e Crucible Steel—100	100	111 1/2	117 1/2
Gr't West Pow 5s 1946—J-J	83	84 1/2		e Preferred—100	80 1/2	81	85
e Kings Co El L & P Co—100	124	127		Davis-Daly Copper Co.—10	108 1/2	110	
Narragan (Prov) El Co.—50	88 1/2	89 1/2		e Diamond Match Co.—100	143	152	
N Y & Q El L & Pow Co—100	52	57		duPont (E D) de Nem Po 100	80	85	
Preferred—100	73	77		e Preferred—100	80	85 1/2	
United Electric of N J—100	90	93		e Gold 4 1/2s 1936—J-D	85 1/4	85 1/2	
1st g 4s 1949—J-D	78	79		Electric Boat—100	70	75	
Western Power com.—100	30	32		Preferred—100	50	45	
Preferred—100	59	61		Empire Steel—100	10	15	
Telegraph and Telephone				Preferred—100	40	45	
e Amer Teleg & Cable—100	77	80		e General Chemical—100	130	135	
e Central & So Amer.—100	114	116		e Preferred—100	105	107 1/2	
Comm'l Un Tel (N Y)—25	108	115		Gold Hill Copper—100	---	---	---
Empire & Bay State Tel—100	65	75		Greene-Canaan—20	8	8 1/4	
Franklin—100	40	50		Guggenheim Explor'n—100	170	190	
e Gold & Stock Teleg—100	110	118		e Hackensack Water Co—	84	---	---
e Northwestern Teleg—50	107	115		Ref g 4s '52 op 1912—J-J	8	12	
Pacific & Atlantic—25	65	75		Hall Signal Co com.—100	6	7	
e Pac Teleg & Teleg pref 100	97	---		Havana Tobacco Co.—100	10	15	
Southern & Atlantic—25	85	95		Preferred—100	10	15	
Ferry Companies				1st g 5s June 1 1922 J-D	48	55	
B & N Y 1st 6s 1911—J-J	88	93		Jecker-Jones-Jewell Milling	101	102 1/2	
N Y & E R Ferry stk.—100	5	12		1st 6s 1922—M-S	15	25	
1st 5s 1922—M-N	50	---		Herring-Hall-Mar new—100	---	---	---
N Y & Hob 5s May '46 J-D	98	---		Hoboken Land & Imp.—100	---	---	---
Hob Fy 1st 5s 1946—M-N	103 1/2	105		1st 5s Nov 1930—M-N	103	105	
N Y & N J 5s 1946—J-J	96	---		Hocking Val Products—100	8	11	
10th & 23d Sts Ferry—100	25	35		1st g 5s 1951—J-J	57	61	
1st mtge 5s 1919—J-D	57	65		Houston Oil com cts.—100	8	8 1/4	
Union Ferry stock—100	18	22		Preferred cts.—100	73	73 1/4	
e 1st 5s 1920—M-N	94	97		e Intersoll-Rand com.—100	100	110	
Short-Term Notes				e Preferred—100	100	---	---
Amer Cop 5s Apr 1 1913—	100 1/8	100 1/2		Intercontinental Rubber—100	18 1/2	20 1/2	
American Cigar—				Internat'l Banking Co.—100	---	---	---
Ser B 4s Mch 15 '12—M-S	100	100 1/8		International Nickel—100	240	244	
Balt & Ohio 4 1/2s 1913 J-D	100 1/8	100 3/8		Preferred—100	100	101	
Bethleh Steel 6s 1914—M-N	99 1/8	99 3/8		1st g 5s 1932—A-O	99 1/2	101	
Ches & Ohio 4 1/2s 1914 J-D	99 1/8	99 3/8		International Salt—100	2	4	
Chic & Alton 5s 1913—M-S	99	99 1/4		1st g 5s 1951—A-O	46	50	
Cin Ham & D 4s 1913—J-J	99	99 1/8		International Silver—100	65	75	
Erie 6s Apr 3 1914—A-O	101	101 1/8		Preferred—100	113	115	
e General Motors 6s '15 A&O	97 1/2	98 1/2		1st 6s 1948—J-D	111	112	
Audson Companies—				Internat Smelt & Refg.—100	110	113	
6s Feb 1 1913—F-A	98 1/2	99		Jones & Laughlin Steel Co	100	100 1/4	
6s Oct 15 1913—A&O 15	98 1/2	99		1st g f g 5s 1939—M-N	100	100 1/4	
Int & Gt No 5s 1914—F-A	97 1/2	97 1/2		e Lackawanna Steel—100	30	35	
K O Ry & Lt 6s '12—M-S	94 1/2	95 1/2		e 1st con 6s 1950—M-S	78 1/2	78 1/2	
Minn & St L g 5s 1913—F-A	99	99 1/4		e Deb 5s 1915—M-S	91	91 1/2	
Mo Kan & Tex 5s May '13	96 1/2	96 1/2		Lanston Monotype—100	94 1/2	95	
MoPacific 5s 1914—J-D	98 1/2	98 1/2		Lawyers' Mtge Co.—100	255	260	
Nat Rys of Mex 4 1/2s '13 J-D	98 1/2	98 1/2		Leh & Wilkes-B Coal—50	270	304	
S N Y C Lines Eq 5s '11-22	84 1/2	84 1/2		e Lorillard (P) pref.—100	140	---	---
4 1/2s Jan 1912-1925—	84 1/2	84 1/2		Madison Sq Garden—100	95	---	---
N Y Cent 4 1/2s 1914—M-S	100 1/8	100 1/2		2d 6s 1919—M-N	95	---	---
N Y N H & H 6s Jan 1912	100	100 1/4		Manhattan Transi.—20	---	---	---
4 1/2s Mch 1 1912—M-S	100	100 1/2		e May Dept Stores—See Stk	Exch	list	
St L & S F 5s 1913—M-S	98 1/2	99		e Miami Copper—See Stock	Exch	list	
5s June 1 1913 opt—J-D	98 1/2	99		Monongahela R Coal—50	10	---	---
South Ry g 6s 1913—F-A	100 1/8	100 1/2		Preferred—50	33 1/2	---	---
Fidewater 6s, 1913, guar—	101 1/8	101 1/8		Mortgage Bond Co.—100	105	108	
Wabash 4 1/2s 1913—M-N	96	97		Nat Bank of Cuba—100	101	103 1/2	
West Teleg & T 5s '12 F-A	100 1/8	100 1/2		e National Surety—100	250	260	
Westingh's El & M 6s 1913	101 1/8	101 1/8		Nev-Utah Min & Sm.—10	---	---	---
e 5s notes Oct 1917-A-O	95	97 1/2		e New Central Coal—20	30	55	
Railroad				e New York Dock—100	---	---	---
Chic Peor & St L—				e Preferred—100	208	212	
Prior Ind g 4 1/2s '30 M-S	78	94		N Y Mtge & Security—100	314	---	---
Con mtge g 5s 1930—J-J	40	50		N Y Transportation—20	90	94	
Income 6s, July 1930—	7	10		Niles-Bem-Pond com.—100	5	73 1/2	
Chicago Subway—100	14	12		Nippising Mines—5	118	118	
Northern Securities Stubs—	101	105		Ohio Copper Co.—10	114	118	
Oregon-Wash RR & Nav—				e Ontario Silver—100	68 1/2	69 1/2	
1st & ref g 4s '61 opt-J-J	92 1/2	92 3/4		Otis Elevator com.—100	97	99	
Pitts Bess & L E—50	33	35		Preferred—100	91 1/2	90	
Preferred—50	65	75		Pittsburgh Brewing—50	39 1/2	40	
e Railroad Securities Co—				Preferred—50	101	105	
Ill C Stk tr cts ser A—52	88	92		e Pittsburgh Steel pref.—100	38	43	
Seaboard Company—See Ba	Ex	list		Pope Mfg Co com.—100	68	72	
West Pac 1st 5s 1933—M-S	89 1/4	90		Preferred—100	98	102	
Industrial and Miscel				Producers Oil—100	95	105	
Adams Exp g 4s 1947—J-D	78	88		e Ray Consol Copper—See S	Ex	list	
Anheek Mining—25	2205	214		Realty Assoc (Bklyn)—100	113	117	
Alliance Realty—100	120	122 1/2		Royal Bak Pwd com.—100	190	198	
Amer Bank Note com.—50	38	42		Preferred—100	108	108	
Preferred—50	49	51		Safety Car Heat & Lt.—100	123	124	
American Book—100	165	---		Seneca Mining—25	---	---	---
e Am Brake Sh&Fdy com 100	87 1/2	90		Singer Mfg Co.—100	295	299	
e Preferred—100	127 1/2	133 1/2		South Iron & S com.—100	1	2	
American Brass—100	118	122		Preferred—100	2	4	
American Calcic com—100	220	230		Standard Cordage—100	10	14	
Preferred—100	102	103		1st M g 5s '31 red.—A-O	1	3	
Am Graphophone com—100	5	---		Adjust M 5s Apr 1 1931—	3	45	
Preferred—100	25	35		Standard Coupler com.—100	105	117	
Amer Hardware—100	137 1/2	140		Preferred—100	15	17	
Am Maltng 6s 1914—J-D	99 1/2	101 1/2		e Standard Milling Co.—100	49 1/2	51	
Amer Press Assoc'n.—100	90	100		1st 6s 1950—M-N	87 1/2	88	
e Amer Snuff com.—100	255	325		Standard Oil of N J—100	610	640	
e Preferred—100	102	104		Standard Oil ex-subsidiar's	335	375	
Am St Found new—See S	Ex	list		Standard Oil Subsidiaries—300	340	340	
6s 1935—A-O	99 1/2	101		Studebaker Corp com.—100	57 1/2	58	
Deb 4s 1923—F-A	---	67		Preferred—100	101 1/2	102	
American Surety—50	255	265		Sulzberger & Sons Co pf.—100	9 1/2	10 1/2	
American Thread pref.—5	43 1/2	51 1/4		Swift & Co—See Boston Stk	Ex	list	
Am Tobacco Co com.—100	498	500		1st 5s. See Chicago Stk	Ex	list	
Ex-subsidiaries—100	280	310		Texas Company—See Stock	Ex	list	
Amer Typewriters com.—100	43	47		e Texas & Pacific Coal—100	93	100	
Preferred—100	97	100		e Texas Pacific Land Tr.—100	---	---	---
Deb g 6s 1939—M-N	99	102		Title Ins Co of N Y.—100	115	120	
Amer Writing Paper—100	11 1/2	2		Tonopah Min (Nevada)—1	6 1/2	---	---
e Preferred—See Stock Ex	ch	list		Trenton Potteries com.—100	4	5	
1st g 5s '19 red 105 1/2 J	88 1/2	89		Preferred new—100	50	50	
Atl Glt & W I S S Lines—100	71 1/2	81 1/2		Trow Directory—100	30	40	
Preferred—100	151 1/2	17		e Underw'd Typewriter—See	Stk	Ex	
Col tr g 5s 1959—J-J	69	72		Union Typewriter com.—100	138	140	
Barney & Smith Car—100	15	25		1st preferred—100	107	11	
Preferred—100	80	90		2d preferred—100	98	100	
Bliss Company com.—50	80	90		United Cigar Mfrs.—100	44	40	
Preferred—50	120	128		e Preferred—100	2104	10	
Bond & Mtge Guar—100	245	250		United Copper—100	134	---	---
Borden's Cond Milk—100	123	125		Preferred—100	8	1	
Preferred—100	107 1/2	108 1/2		U S Casualty—100	215	---	---
British Col Copper—5	4 1/2	4 1/2		U S Envelope com.—100	70	7	
Butte Coalition Mining—15	16 1/2	18		Preferred—100	110	110	
Caseln Co of Am com.—100	2 1/4	2 1/4		U S Flashing—100	39	9	
Preferred—100	55	60		Preferred—100	102	100	
Casualty Co of Amer.—100	125	140		1st g 5s 1919—J-J	10 1/2	10 1/2	
Celluloid Co—100	135	140		Con g 5s 1929—J-J	94	94	
Cent Fireworks com.—100	10	2		e U S Indust Alcohol—100	24	2	
Preferred—100	10	20		e Preferred—100	92	92	
Chesebrough Mfg Co—100	700	800		U S Steel Corporation—			
e Chino Copper Co—See Stoc	k	Ex	list	Col tr s f 5s '51 opt '11—	113 1/2	113 1/2	
City Investing Co.—100	47	50		Col tr s f 5s '51 not opt—	113 1/2	113 1/2	
Preferred—100	95	98		U S Tit Gu & Indem.—100	92 1/2	10	
e Claflin (H B) com.—100	88	90		Westchester & Bronx Title	---	---	---
e 1st preferred—100	88	90		& Mtge Guar—100	160	160	
e 2d preferred—100	88	92		Westingh's Air Brake—50	153	153	
Consol Car Heating—100	63	65		Woolworth (F W) Co (w D)—	73	7	
Consol Rubber Tire—100	33 1/2	41 1/2		Preferred (w I)—100	105	10	
Preferred—100	23 1/2	30		Worthingt'n Pump pref.—100	105	---	---
Debenture 4s 1951—A-O	42	46					

Investment and Railroad Intelligence.

RAILROAD GROSS EARNINGS.

The following table shows the gross earnings of every STEAM railroad from which regular weekly or monthly returns can be obtained. The first two columns of figures give the gross earnings for the latest week or month, and the last two columns the earnings for the period from July 1 to and including such latest week or month. We add a supplementary statement to show the fiscal year totals of those roads whose fiscal year does not begin with July, but covers some other period. The returns of the electric railways are brought together separately on a subsequent page.

Latest Gross Earnings.					July 1 to Latest Date.						
ROADS.	Week or Month.	Current Year.	Previous Year.	Current Year.	Previous Year.	ROADS.	Week or Month.	Current Year.	Previous Year.	Current Year.	Previous Year.
Ala N O & Tex Pac		\$	\$	\$	\$	N Y N H & Hartf.		\$	\$	\$	\$
N O & Nor East	October --	376,750	295,938	1,216,530	1,159,559	N Y Ont & Western	October --	5,735,127	5,571,071	22,180,322	22,046,411
Ala & Vicksburg	October --	159,599	169,190	553,874	605,423	N Y Susq & West.	September	789,731	823,343	2,673,741	2,739,215
Vicks Shrev & P.	October --	126,871	134,620	469,080	519,033	Norfolk Southern	October --	345,061	355,327	1,338,430	1,246,136
Ala Tenn & North	September	12,900	8,393	33,803	23,870	Norfolk & Western	September	258,040	227,600	1,000,862	973,781
Ann Arbor	3d wk Nov	45,485	45,148	948,972	846,080	Northern Pacific	September	3,478,361	3,220,664	10,023,935	9,200,862
Ach Topeka & S Fe	October --	9,945,875	9,931,805	35,789,388	36,091,145	Pacific Coast Co.	September	6,008,309	6,617,992	16,764,898	19,123,077
Atlanta Birm & Atl	3d wk Nov	65,242	57,110	1,291,377	1,080,919	Pennsylvania RR.	October --	706,337	753,157	2,150,666	2,337,542
Atlantic Coast Line	October --	2,782,164	2,557,255	9,684,142	9,021,843	Balt Ches & Atlan	October --	143,537	142,370	54,598,091	55,250,101
Baltimore & Ohio	October --	8,259,823	8,168,817	32,150,795	32,684,444	Cumberland Vall.	October --	20,216	20,269	133,464	134,271
B & O Ch Tr R R	September	139,955	136,345	406,820	407,932	Long Island	October --	268,425	295,272	1,007,854	1,115,074
Bangor & Aroostook	September	340,370	283,016	841,892	726,400	Maryl'd Del & Va	October --	876,743	891,846	4,315,988	4,038,928
Boston & Maine	September	4,250,286	4,176,981	12,298,266	12,130,578	N Y Phila & Norf	October --	11,263	11,096	67,075	64,676
Bridgeton & Saco R	September	6,274	4,750	17,804	16,022	Northern Central	October --	289,718	282,124	1,188,142	1,236,221
Buff Roch & Pittsb.	3d wk Nov	185,574	198,704	3,972,836	4,034,049	Phila Balt & Wash	October --	1,201,495	1,174,251	4,358,235	4,370,688
Buffalo & Susq	September	211,211	202,422	626,328	594,764	W Jersey & Seash	October --	1,667,126	1,653,173	6,823,443	6,832,166
Canadian Northern	3d wk Nov	403,000	363,100	7,934,800	6,326,000	Pennsylvania Co.	October --	446,619	451,603	2,133,796	2,133,264
Canadian Pacific	3d wk Nov	2,226,000	2,106,000	48,450,807	44,070,759	Grand Rap & Ind	October --	4,877,945	4,933,070	19,121,576	20,202,768
Central of Georgia	3d wk Nov	277,200	293,600	5,606,769	5,134,651	Pitts Cin Ch & StL	October --	453,119	446,106	1,882,294	1,886,264
Central of New Jers	September	2,568,892	2,416,792	7,481,321	7,227,399	Vandalla	October --	3,533,146	3,641,966	13,880,995	14,213,555
Central Vermont	September	377,379	376,619	1,110,690	1,000,435	Total lines	October --	919,761	962,560	3,499,669	3,758,282
Ches & Ohio Lines	3d wk Nov	628,190	652,437	13,317,397	13,354,400	East Pitts & E.	October --	20449432	20281727	80,590,945	81,417,345
Chicago & Alton	3d wk Nov	348,254	346,668	6,389,100	6,211,096	West Pitts & E	October --	10231175	10387209	40,101,618	41,626,399
Chic Burl & Quincy	September	8,084,807	8,395,269	23,144,928	23,849,678	All East & West	October --	30680608	30669657	120692564	123043744
Chic Ind & Louisv	3d wk Nov	287,312	288,618	5,442,584	5,305,759	Pere Marquette	October --	1,609,287	1,453,528	6,045,183	5,716,375
Chic Memph & Gulf	September	113,162	111,427	2,700,926	2,599,113	Raleigh & Southport	September	14,424	12,558	42,534	36,816
Chic Milw & St Paul	September	20,638	10,263	61,165	24,662	Reading Company	October --	4,116,724	4,003,362	15,109,778	14,892,138
Ch Mil & Pug Sd	September	5,962,267	6,504,203	16,502,265	17,844,045	Coal & Iron Co.	October --	3,748,332	2,992,642	9,932,500	8,679,040
Chic & North West	September	7,004,093	7,363,847	20,555,614	21,113,082	Total both cos.	October --	7,865,056	6,996,044	25,042,278	23,571,178
Chic St Paul M & O	September	1,430,369	1,626,046	3,922,109	4,349,309	Rich Fred & Potom	September	189,550	176,133	569,351	550,070
Chic T H & S E	September	156,369	202,707	458,938	631,660	Rio Grande Junc.	August --	88,383	97,160	166,881	186,896
Cin Ham & Dayton	September	915,971	872,256	2,796,644	2,579,002	Rio Grande South	3d wk Nov	9,413	11,925	192,812	258,986
Colorado & Midland	October --	203,352	203,964	733,997	758,162	Rock Island Lines	October --	6,188,324	6,622,782	22,953,189	24,282,659
Colorado & South	3d wk Nov	307,107	381,902	6,037,095	7,091,745	Rutland	September	331,075	340,018	963,614	966,772
Copper Range	July --	60,551	70,733	60,551	70,733	St Jos & Grand Isl'd	September	154,863	150,903	455,480	456,213
Cornwall	October --	15,914	11,906	63,669	60,125	St Louis & San Fran	September	3,604,598	3,761,537	10,435,247	10,746,749
Cornwall & Lebanon	October --	25,053	28,431	117,118	131,681	/ Chic & East Ill.	September	1,357,993	1,329,236	3,958,480	3,860,216
Cuba Railroad	September	259,821	190,880	780,276	631,191	Total all lines	September	4,962,599	5,090,773	14,393,728	14,606,965
Delaware & Hudson	September	1,893,826	1,763,208	5,644,014	5,263,884	St L Rocky Mt & P.	September	1,41,941	177,849	393,293	512,922
Del Lack & West	September	3,292,480	3,046,594	9,595,751	9,136,527	St Louis Southwest	3d wk Nov	285,000	284,732	4,804,394	4,937,877
Denv & Rio Grande	3d wk Nov	490,200	512,200	10,113,348	10,289,658	San Ped L A & S L	September	748,299	634,845	2,227,913	1,898,160
Western Pacific	September	537,691	548,993	1,459,855	1,549,753	Seaboard Air Line	3d wk Nov	462,364	447,822	8,571,549	7,864,803
Denver N W & Pac	3d wk Nov	24,211	26,963	548,993	529,753	Southern Pacific Co	October --	119,25,128	12,478,958	45,815,975	47,372,616
Detroit Tol & Iront	3d wk Nov	34,830	39,525	737,665	850,713	Southern Railway	3d wk Nov	1,250,490	1,232,862	25,118,014	24,112,503
Detroit & Mackinac	3d wk Nov	20,984	20,645	489,495	484,420	Mobile & Ohio	3d wk Nov	224,270	231,042	4,499,883	4,211,816
Dul & Iron Range	September	1,046,739	1,138,620	3,014,008	3,594,055	Cin N O & Tex P.	3d wk Nov	184,490	184,514	3,774,338	3,739,510
Dul Sou Sh & Atl	3d wk Nov	53,089	64,150	1,403,178	1,436,163	Ala Great South	3d wk Nov	89,986	82,473	1,802,978	1,767,651
Dul Paso & Sou West	September	563,530	581,221	1,631,067	1,768,244	Georgia Sou & Fla	3d wk Nov	48,767	48,599	951,513	935,055
Erie	October --	5,205,847	5,115,689	20,587,865	20,231,648	Tenn Ala & Georgia	3d wk Nov	1,514	1,770	45,213	36,827
Fairchild & N E	October --	2,193	1,900	7,550	8,016	Texas & Pacific	3d wk Nov	410,190	386,605	6,754,121	6,599,065
Fonda Johns & Glov	September	85,240	84,185	275,502	277,334	Tidewater & West.	October --	8,681	6,643	35,092	28,265
Georgia Railroad	October --	345,323	316,283	1,151,023	1,042,208	Toledo Peor & West	3d wk Nov	22,059	20,894	509,769	524,887
Grand Trunk Syst.	3d wk Nov	951,384	910,786	20,486,516	18,085,905	Toledo St L & West	3d wk Nov	101,407	91,763	1,641,465	1,585,302
Grand Trk West	2d wk Nov	117,944	106,425	2,510,361	2,191,100	Tombigbee Valley	September	8,002	6,741	23,568	21,039
Det Gr Hay & Mil	3d wk Nov	53,755	46,377	903,500	758,332	Union Pacific Syst.	October --	8,714,435	8,905,637	32,191,461	33,911,422
Canada Atlantic	2d wk Nov	41,900	40,216	840,316	747,752	Virginia & So West.	September	152,155	107,181	430,320	310,068
Great Northern Syst	October --	7,191,031	6,579,390	25,487,256	24,542,342	Virginian	September	409,700	313,893	1,161,815	835,686
Gulf & Ship Island	September	183,578	160,637	490,870	476,017	Wabash	3d wk Nov	541,832	604,986	12,091,030	12,501,354
Hocking Valley	September	699,027	770,751	2,016,951	2,186,401	Western Maryland	September	667,823	665,658	1,893,604	2,003,356
Illinois Central	September	5,222,386	5,318,924	15,902,153	15,451,728	Wheel & Lake Erie	September	732,388	640,041	2,113,181	1,968,008
Internat & Gt Nor	3d wk Nov	237,000	189,000	4,071,824	3,889,419	Wrightsv & Tennille	October --	40,956	34,889	122,911	105,910
InterOceanic Mex	3d wk Nov	155,735	164,514	3,264,085	3,295,514	Yazoo & Miss Valley	September	781,779	791,358	2,323,440	2,182,901
Iowa Central	3d wk Nov	69,393	78,153	1,442,400	1,424,209						
Kanawha & Mich	September	294,593	313,402	895,965	891,324						
Kansas City South	October --	860,200	951,102	3,208,093	3,527,437						
K C Mex & Orient	2d wk Nov	38,610	39,183	669,217	738,155						
Lehigh Valley	October --	3,465,305	3,384,099	13,393,641	12,409,082						
Lexington & East	September	47,267	46,398	148,417	133,736						
Louisiana & Arkan	September	114,164	120,030	320,311	363,548						
Louisv Hend & St L	September	115,903	116,171	328,329	317,667						
s Louisv & Nash	3d wk Nov	1,139,205	1,161,000	22,109,175	21,745,232						
Macon & Birmingham	October --	17,783	16,188	56,886	51,694						
Maine Central	October --	983,622	909,216	3,911,326	3,617,580						
Maryland & Penna	October --	43,170	42,284	166,818	163,085						
a Mexican Railway	2d wk Nov	150,700	161,800	2,927,100	3,148,900						
Mineral Range	3d wk Nov	13,301	15,249	290,701	303,194						
Minneapolis & St Louis	3d wk Nov	98,939	96,170	1,910,886	2,265,546						
Minn St P & S S M	3d wk Nov	519,481	491,567	11,286,015	10,740,426						
Chicago Division											
Mississippi Central	September	82,044	79,273	230,928	230,437						
u Mo Kan & Texas	3d wk Nov	580,987	670,119	12,156,089	12,269,437						
Missouri Pacific	3d wk Nov	1,145,000	1,125,000	22,623,649	21,828,257						
Nashv Chatt & St L	September	1,034,817	970,828	3,024,956	2,854,041						
a Nat Rys of Mex f	3d wk Nov	1,117,385	1,219,724	25,172,513	24,908,320						
Nevada-Cal-Oregon	3d wk Nov	6,553	7,357	160,059	173,142						
Nevada Central	September	5,512	6,046	16,629	18,110						
N O Great Northern	September	149,270	142,926	430,415	436,213						
N O Mobile & Chic	Wk Nov 11	38,086	34,276	687,452	628,786						
e N Y C & Hud Riv	October --	9,553,551	9,166,923	37,618,921	35,971,065						
Lake Shore & M S	October --	4,351,609	4,399,008	17,516,306	17,586,259						
n Lake Erie & W	October --	488,256	495,287	1,994,586	2,002,760						
Chic Ind & South	October --	368,328	327,011	1,256,939	1,106,586						
Michigan Central	October --	2,866,021	2,706,510	10,822,376	10,622,000						
Cleve C O & St L	October --	2,697,280	2,868,096	10,851,006	10,858,460						
Peoria & Eastern	October --	280,715	342,741	1,109,237	1,317,325						
Cincinnati North	October --	122,688	117,580	480,980	484,447						
Pitts & Lake Erie	October --	1,442,323	1,634,951	5,810,610	6,305,257						
N Y Chic & St L	October --	1,001,351	1,093,571	3,858,943	3,876,975						
Tol & Ohio Cent	October --	500,939	500,823	1,970,247							

Latest Gross Earnings by Weeks.—In the table which follows we sum up separately the earnings for the third week of November. The table covers 44 roads and shows 0.59% decrease in the aggregate over the same week last year.

Third week of November.	1911.	1910.	Increase.	Decrease.
	\$	\$	\$	\$
Alabama Great Southern	89,986	82,473	7,513	-----
Ann Arbor	45,485	45,148	337	-----
Atlanta Birmingham & Atlantic	65,242	57,110	8,132	-----
Buffalo Rochester & Pittsburgh	185,574	198,704	-----	13,130
Canadian Northern	403,000	363,100	39,900	-----
Canadian Pacific	2,226,000	2,106,000	120,000	-----
Central of Georgia	277,200	293,600	-----	16,400
Chesapeake & Ohio	628,190	652,437	-----	24,247
Chicago & Alton	348,254	346,668	1,586	-----
Chicago Great Western	287,312	288,618	-----	1,306
Chicago Indianapolis & Louisv.	113,162	111,427	1,735	-----
Cincinnati New Orleans & Texas Pac.	184,490	184,514	-----	24
Colorado & Southern	307,107	381,902	-----	74,795
Denver & Rio Grande	490,200	512,200	-----	22,000
Denver Northwest & Pacific	24,211	26,963	-----	2,752
Detroit & Mackinac	20,984	20,645	339	-----
Detroit Toledo & Ironton	34,830	39,525	-----	4,695
Duluth South Shore & Atlantic	53,089	64,150	-----	11,061
Georgia Southern & Florida	48,767	48,599	168	-----
Grand Trunk of Canada	-----	-----	-----	-----
Grand Trunk Western	951,384	910,786	40,598	-----
Detroit Grand Haven & Milw.	-----	-----	-----	-----
Canada Atlantic	-----	-----	-----	-----
International & Great Northern	237,000	189,000	48,000	-----
Interoceanic of Mexico	155,735	164,514	-----	8,779
Iowa Central	69,393	78,153	-----	8,760
Louisville & Nashville	1,139,205	1,161,000	-----	21,795
Mineral Range	13,301	15,249	-----	1,948
Minneapolis & St. Louis	98,939	96,170	2,769	-----
Minneapolis St. Paul & S. S. M.	519,481	491,567	27,914	-----
Chicago Division	-----	-----	-----	-----
Missouri Kansas & Texas	580,987	670,119	-----	89,132
Missouri Pacific	1,143,000	1,125,000	20,000	-----
National Railways of Mexico	1,117,385	1,219,727	-----	102,342
Mobile & Ohio	224,270	231,042	-----	6,772
Nevada-California-Oregon	6,553	7,357	-----	804
Rio Grande Southern	9,413	11,925	-----	2,512
St. Louis Southwestern	285,000	284,732	268	-----
Seaboard Air Line	462,364	447,822	14,542	-----
Southern Railway	1,250,490	1,232,861	17,629	-----
Tennessee Alabama & Georgia	1,514	1,770	-----	256
Texas & Pacific	410,190	386,605	23,585	-----
Toledo Peoria & Western	22,059	20,894	1,165	-----
Toledo St. Louis & Western	101,047	91,763	9,284	-----
Wabash	541,832	604,986	-----	63,154
Total (44 roads)	15,175,625	15,266,825	385,464	476,664
Net decrease (0.59%)	-----	-----	-----	91,200

Net Earnings Monthly to Latest Dates.—The table following shows the gross and net earnings of STEAM railroads and industrial companies reported this week:

Roads.	Gross Earnings Current Year.	Gross Earnings Previous Year.	Net Earnings Current Year.	Net Earnings Previous Year.
	\$	\$	\$	\$
Atch Top & Santa Fe	9,945,875	9,931,805	3,663,325	3,762,648
July 1 to Oct 31	35,789,388	36,091,145	11,761,506	13,498,835
Atlantic Coast Line	2,782,164	2,557,255	878,210	801,045
July 1 to Oct 31	9,684,142	9,021,843	2,493,426	2,301,817
Buffalo Roch & Pitts.	832,569	889,593	275,482	317,124
July 1 to Oct 31	3,368,833	3,369,847	1,109,648	1,298,960
Canadian Northern	2,028,900	1,627,800	680,400	580,500
July 1 to Oct 31	6,501,800	5,225,800	1,776,100	1,572,000
Canadian Pacific	11,207,992	10,229,370	4,681,105	4,505,161
July 1 to Oct 31	41,340,800	37,669,129	16,377,151	15,593,052
Central of Georgia	1,440,537	1,244,300	4580,929	4,472,373
July 1 to Oct 31	4,750,807	4,295,951	1,531,862	1,354,466
Chicago Great Western	1,252,261	1,233,918	405,644	367,532
July 1 to Oct 31	4,613,828	4,436,596	1,371,100	1,288,805
Colorado Midland	203,352	208,964	43,680	35,263
July 1 to Oct 31	733,997	758,162	141,486	122,258
Colorado & Southern	1,382,295	1,632,436	505,721	660,646
July 1 to Oct 31	5,124,935	5,996,434	1,887,557	2,120,450
Cornwall	15,914	11,906	8,365	5,963
July 1 to Oct 31	63,669	60,125	54,096	28,897
Delaware Lackawanna & West	9,595,752	9,136,527	3,707,584	3,644,744
Jan 1 to Sept 30	27,007,999	26,654,640	10,384,893	11,432,412
Syracuse Bing & N.Y.—b	307,954	302,623	118,954	136,636
July 1 to Sept 30	831,307	793,199	342,714	368,220
Detroit & Mackinac	106,074	99,021	18,686	24,928
July 1 to Oct 31	425,713	418,413	94,877	127,821
Erie	5,205,847	5,115,689	1,535,218	1,357,663
July 1 to Oct 31	20,587,865	20,231,648	6,066,929	5,963,169
Fairchild & Northeast	2,193	1,900	366	def1,661
July 1 to Oct 31	7,550	8,016	186	def9,091
Georgia RR	345,323	316,283	113,456	110,543
July 1 to Oct 31	1,151,023	1,042,208	337,405	243,192
Iowa Central	363,662	334,160	1105,434	h77,690
July 1 to Oct 31	1,237,984	1,188,486	4299,396	h247,769
Interoceanic of Mexico	668,252	765,502	192,689	288,095
July 1 to Oct 31	2,834,316	2,860,196	930,750	1,061,560
Kansas City Southern	860,200	951,102	325,298	387,856
July 1 to Oct 31	3,208,093	3,527,437	1,123,632	1,346,763
Lehigh & Hudson River	365,916	325,519	121,252	115,788
July 1 to Sept 30	1,107,653	1,035,304	398,931	391,852
Minneapolis & St. Louis	422,919	524,091	1108,916	h166,865
July 1 to Oct 31	1,622,302	1,925,442	4,403,695	h602,745
National Rys of Mexico	5,494,060	5,735,960	2,666,829	2,520,603
July 1 to Oct 31	21,756,055	21,325,339	9,832,674	8,806,718
Nevada-Cal-Ore	37,714	38,018	12,185	16,932
July 1 to Oct 31	136,728	151,712	51,247	72,205
N Y Cent & Hud Riv	9,553,551	9,166,923	2,880,023	2,590,220
Jan 1 to Oct 31	86,427,585	82,941,863	24,700,396	21,922,099
Lake Sh & Mich So	4,351,609	4,399,008	1,936,163	1,252,326
Jan 1 to Oct 31	40,261,350	41,299,387	14,052,588	12,593,991
Lake Erie & West	488,256	495,287	106,985	108,044
Jan 1 to Oct 31	4,518,754	4,573,641	931,605	1,037,298
Chic Ind & Southern	368,328	327,011	107,876	78,000
Jan 1 to Oct 31	3,129,786	3,032,345	736,591	720,461
Michigan Central	2,866,021	2,706,510	1,042,729	634,376
Jan 1 to Oct 31	24,881,790	24,609,403	7,503,340	6,764,763
Clev Clin Ch & St L	2,697,280	2,868,096	809,031	724,828
Jan 1 to Oct 31	25,276,891	25,039,728	6,824,513	5,725,216
Peoria & Eastern	280,715	342,741	89,337	105,359
Jan 1 to Oct 31	2,673,516	2,909,083	542,077	823,752
Cincinnati Northern	122,688	117,580	24,374	18,233
Jan 1 to Oct 31	1,021,663	1,074,413	140,599	219,485

Roads.	Gross Earnings Current Year.	Gross Earnings Previous Year.	Net Earnings Current Year.	Net Earnings Previous Year.
	\$	\$	\$	\$
N Y Cent & Hud Riv (Con)	-----	-----	-----	-----
Pitts & Lake Erie	1,442,323	1,634,951	666,867	906,248
Jan 1 to Oct 31	12,747,907	14,588,878	6,269,391	7,987,020
N Y Chic & St L	1,001,351	1,093,571	315,917	368,280
Jan 1 to Oct 31	9,250,748	9,326,499	2,519,711	2,874,783
Toledo & Ohio Cent	500,939	500,823	172,587	189,900
Jan 1 to Oct 31	4,078,520	4,151,566	1,280,721	1,509,512
Total all lines	23,673,061	23,652,501	8,151,889	6,975,808
Jan 1 to Oct 31	214,268,511	213,546,809	65,591,532	62,178,470
N Y New Hav & Hart	5,735,127	5,571,071	2,089,656	2,074,653
July 1 to Oct 31	22,180,322	22,046,413	13,818,050	13,652,517
New York New Haven & Hartford	-----	-----	-----	-----
July 1 to Sept 30	16,445,194	16,475,341	6,272,616	6,319,242
Jan 1 to Sept 30	46,233,407	46,087,945	15,805,976	16,189,282
N Y Susq & Western	345,061	335,527	124,664	117,935
July 1 to Oct 31	1,338,430	1,246,136	438,724	355,681
Pennsylvania Lines	-----	-----	-----	-----
Pennsylvania RR	14,353,719	14,237,091	4,049,906	4,131,736
Jan 1 to Oct 31	129,916,773	133,798,975	30,937,815	34,276,946
Balt Ches & Atl	20,216	20,269	2,016	3,780
Jan 1 to Oct 31	239,205	238,847	48,093	53,734
Cumberland Valley	268,425	295,272	87,625	130,615
Jan 1 to Oct 31	2,399,137	2,606,816	679,778	932,646
Long Island	876,743	891,846	92,058	171,181
Jan 1 to Oct 31	8,999,383	8,352,932	1,868,191	1,774,417
Maryland Del & Va	11,263	11,096	def 827	587
Jan 1 to Oct 31	116,950	112,262	def 4,269	1,525
N Y Phila & Norf	289,718	282,124	75,923	62,635
Jan 1 to Oct 31	2,786,588	2,928,799	623,348	852,424
Northern Central	1,201,495	1,174,251	171,365	110,831
Jan 1 to Oct 31	10,566,038	10,508,539	1,203,823	1,475,974
Phila Balto & Wash	1,667,126	1,653,173	414,777	345,234
Jan 1 to Oct 31	15,742,782	15,894,685	3,359,680	3,193,578
West Jersey & Seash	446,619	451,603	def 21,896	7,374
Jan 1 to Oct 31	5,401,122	5,237,757	1,197,523	1,192,679
Pennsylvania Co	4,877,945	4,933,070	1,472,965	1,596,980
Jan 1 to Oct 31	41,767,985	45,970,610	11,646,971	13,321,659
Grand Rapids & Ind	453,119	446,106	102,217	79,273
Jan 1 to Oct 31	4,227,451	4,309,288	781,181	631,371
Pitts Clin Ch & St L	3,533,146	3,641,968	945,783	997,442
Jan 1 to Oct 31	31,932,607	33,942,230	7,942,371	7,773,722
Vandalia	919,761	962,560	218,764	259,971
Jan 1 to Oct 31	8,269,664	8,634,210	1,497,932	1,643,931
Total—East P & E	20,449,432	20,281,727	5,050,964	5,135,112
Jan 1 to Oct 31	187,494,485	191,290,578	40,981,931	44,988,552
Total—West P & E	10,231,175	10,387,929	2,868,817	3,044,536
Jan 1 to Oct 31	90,065,064	96,457,855	22,781,908	24,194,209
Grand total all lines	30,680,608	30,669,657	7,919,781	8,179,648
Jan 1 to Oct 31	277,559,549	287,748,433	63,763,929	69,182,761

Reading Company—

Phila & Reading .b	Oct 4,116,724	4,003,362	1,574,941	1,453,399
July 1 to Oct 31	15,109,778	14,892,138	5,066,002	5,227,095
Coal & Iron Co .b	Oct 3,748,332	2,992,642	202,906	41,001
July 1 to Oct 31	9,932,500	8,679,040	def212,881	def353,803
Total both companies.b	Oct 7,865,056	6,996,004	1,777,847	1,494,400
July 1 to Oct 31	25,042,278	23,571,178	4,854,111	4,873,293
Reading Company	Oct -----	-----	160,622	143,735
July 1 to Oct 31	-----	-----	658,843	581,832
Total all companies	Oct -----	-----	1,938,468	1,658,135
July 1 to Oct 31	-----	-----	5,512,954	5,455,125
Rock Island .b	Oct 6,188,324	6,622,782	2,063,411	2,097,487
July 1 to Oct 31	22,953,189	24,282,659	6,540,007	7,097,870
St Louis Southwestern .a	Oct 1,195,159	1,174,874	450,414	393,498
July 1 to Oct 31	3,957,553	4,079,019	1,246,945	1,080,125
Southern Pacific .a	Oct 11,925,128	12,478,958	4,545,227	4,619,330
July 1 to Oct 31	45,815,975	47,372,616	16,478,745	17,283,915
Southern Railway .b	Oct 5,826,118	5,478,301	2,114,191	2,018,405
July 1 to Oct 31	21,313,300	20,342,512	7,214,156	6,788,002
Mobile & Ohio .b	Oct 1,146,792	916,392	401,656	285,852
July 1 to Oct 31	3,851,026	3,553,466	1,106,915	1,022,641
Cin N O & Tex Pac .b	Oct 832,937	808,416	276,762	326,434
July 1 to Oct 31	3,239,443	3,192,827	1,253,394	1,344,712
Ala Great South .b	Oct 424,300	399,075	131,834	127,349
July 1 to Oct 31	1,543,249	1,516,885	492,973	460,119
Georgia So & Fla .b	Oct 218,090	207,891	64,857	57,193
July 1 to Oct 31	805,510	798,254	197,514	194,273
Ulster & Delaware .b				
July 1 to Sept 30	389,984	415,187	161,396	164,913
Jan 1 to Sept 30	836,030	909,877	221,651	284,542
Union Pacific .a	Oct 8,714,435	8,905,657	4,003,869	4,052,659
July 1 to Oct 31	32,191,461	33,911,422	14,254,838	15,047,865
Wrightsv & Tenville .b	Oct 240,956	234,080	19,397	17,784
July 1 to Oct 31	1222,911	1205,910	38,903	43,630

Roads.	Int., Rentals, &c.—		Bal. of Net Earnings.—	
	Current Year.	Previous Year.	Current Year.	Previous Year.
Chicago Great Western—Oct	223,431	220,802	2195,269	2163,817
July 1 to Oct 31.....	907,903	821,526	2510,171	2504,288
Colorado Midland.....Oct	29,820	29,820	cdef581	cdef4,529
July 1 to Oct 31.....	119,280	119,280	cdef29,345	cdef36,888
Colorado & Southern.....Oct	280,275	287,573	2251,343	2372,218
July 1 to Oct 31.....	1,112,642	1,082,261	2929,836	21,069,854
Delaware Lackawanna & West—				
July 1 to Sept 30.....	2,325,314	2,485,670	22,472,505	21,905,460
Jan 1 to Sept 30.....	6,959,796	6,985,989	26,892,601	27,728,333
Syracuse B'ing & N Y—				
July 1 to Sept 30.....	37,017	34,119	2142,560	2156,474
Jan 1 to Sept 30.....	112,555	114,231	2222,451	2246,378
Georgia RR.....Oct	76,024	63,186	241,874	255,157
July 1 to Oct 31.....	268,484	326,128	2104,252	2249,086
Lehigh & Hudson River—				
July 1 to Sept 30.....	79,678	73,605	252,441	242,183
Jan 1 to Sept 30.....	240,518	225,989	2169,280	2165,863
Nevada-Cal-Oregon.....Oct	5,329	4,379	27,171	213,309
July 1 to Oct 31.....	20,225	17,018	232,065	258,310
N Y New Haven & Hartford—				
July 1 to Sept 30.....	5,415,364	5,324,195	23,133,087	22,951,706
Jan 1 to Sept 30.....	13,576,244	16,346,274	211,763,279	28,109,506
Reading Company.....Oct	868,250	888,661	1,070,219	749,474
July 1 to Oct 31.....	3,473,000	3,554,642	2,039,954	1,900,483
St Louis Southwestern.....Oct	196,559	183,719	2329,911	2254,067
July 1 to Oct 31.....	775,075	732,540	2726,704	2481,147
Ulster & Delaware—				
July 1 to Sept 30.....	66,343	68,448	2100,533	2101,797
Jan 1 to Sept 30.....	179,651	184,519	250,727	2109,021

INDUSTRIAL COMPANIES.

Companies.	Int., Rentals, &c.—		Bal. of Net Earnings.—	
	Current Year.	Previous Year.	Current Year.	Previous Year.
Atlantic Gulf & West Ind SS Lines—				
(Subsidiary Cos).....Sept	155,979	156,299	32,946	74,616
Jan 1 to Sept 30.....	1,426,795	1,487,692	766,178	1,042,707
c After allowing for net miscellaneous debit to income.				
x After allowing for other income received.				

ELECTRIC RAILWAY AND TRACTION COMPANIES.

Name of Road.	Latest Gross Earnings.		Jan. 1 to latest date	
	Week or Month.	Current Year.	Previous Year.	Current Year.
		\$	\$	\$
American Rys Co.....	September	417,578	392,479	3,231,562
Atlantic Shore Ry.....	October	23,369	28,742	3,070,958
Chic Elgin & Chic Ry.....	October	156,742	154,359	308,473
Bangor Ry & Elec Co.....	October	53,129	49,593	1,500,934
Baton Rouge Elec Co.....	September	10,074	8,880	1,415,844
Birmingham Railway.....	September	36,418	33,158	491,497
Brock & Plym St Ry.....	September	12,119	11,975	471,777
Bklyn Rap Tran Syst.....	August	2119,302	1972,238	85,718
Cape Breton Elec Co.....	September	30,314	28,835	292,100
Carolina Pow & Lt Co.....	October	39,392	35,562	95,707
Cent Park N & E Riv.....	August	56,864	58,425	14,514,820
Central Penna Trac.....	October	68,494	68,365	243,498
Chattanooga Ry & Lt.....	October	83,698	77,993	289,769
Clev Palmsv & East.....	September	34,677	33,647	421,930
Clev Southw & Colum.....	October	99,404	96,394	691,474
Columbus (Ga) El Co.....	September	41,816	39,236	728,940
Coney Island & Bklyn.....	August	81,491	160,020	279,592
Dallas Electric Corp.....	September	131,249	119,804	945,818
Detroit United Ry.....	4th wk Oct	260,684	243,638	881,619
D D E B & Bat(Rec).....	August	53,666	54,036	330,028
Duluth-Superior Trac.....	October	96,704	95,278	1,028,065
East St Louis & Sub.....	September	197,030	211,249	1,037,613
El Paso Electric.....	September	56,962	54,846	7,789,100
Fairm & Clarks Tr Co.....	October	67,970	58,504	405,803
42dStM&SNV(Rec).....	August	139,814	129,238	906,006
Galv-Houston El Co.....	September	130,685	110,145	1,677,850
Grand Rapids Ry Co.....	October	93,587	91,267	493,419
Havana Elec Ry Co.....	Wk Nov 26	41,430	41,954	1,611,639
Honolulu Rapid Tran.....	October	42,582	37,118	1,037,887
Houghton Co Trac Co.....	September	25,675	26,710	966,136
Hudson & Manhattan.....	September	377,007	323,493	947,929
Illinois Traction Co.....	September	598,350	529,291	2,153,699
Interboro Rap Tran.....	August	2146,162	2105,130	409,727
Jacksonville Trac Co.....	September	45,099	45,995	373,675
Lake Shore Elec Ry.....	September	124,767	115,009	229,897
Long Island Electric.....	August	24,854	24,226	3,375,968
Metropolitan St(Rec).....	August	1148,050	1132,411	2,902,080
Milw El Ry & Lt Co.....	October	448,150	406,919	5,019,711
Milw Lt, Ht & Tr Co.....	October	92,932	89,028	4,292,602
Montreal Street Ry.....	October	442,393	386,688	19,714,553
Nashville Ry & Light.....	September	179,132	163,307	99,219,624
New Orleans Ry & Lt.....	September	521,570	489,458	422,786
N Y City Interboro.....	August	26,531	20,534	962,237
N Y & Long Isl Trac.....	August	39,908	40,318	145,798
N Y & Queens County.....	August	116,831	111,065	145,798
Northampton & W.....	October	14,656	14,626	139,011
No Caro Pub Serv Co.....	September	17,979	21,040	180,101
North Ohio Trac & Lt.....	October	220,342	208,342	156,277
North Texas Elec Co.....	September	136,989	118,192	2,240,088
Ocean Electric (L D).....	August	28,546	24,147	1,041,568
Paducah Tr & Lt Co.....	September	22,801	21,251	2,045,748
Pensacola Electric Co.....	September	24,667	23,265	1,178,005
Phila Rap Tran Co.....	October	1947,002	1831,057	2,045,748
Port(Ore) Ry, L & P Co.....	October	540,764	503,485	1,041,568
Puget Sound El Co.....	September	152,034	160,544	2,045,748
Richmond Lt & RR.....	August	40,177	39,277	2,045,748
Rio de Janeiro Tram.....	October	1126,972	965,265	1,041,568
Light & Power Co.....	October	91,442	87,613	2,045,748
St Joseph (Mo) Ry, Lt.....	October	315,549	255,628	2,045,748
Heat & Power Co.....	October	58,428	51,598	2,045,748
Sao Paulo Tr, L & P.....	September	443,639	481,157	2,045,748
Savannah Electric Co.....	September	90,866	85,582	2,045,748
Seattle Electric Co.....	August	12,345	10,799	2,045,748
Second Avenue (Rec).....	August	16,700	15,600	2,045,748
Southern Boulevard.....	October	34,136	32,607	2,045,748
Staten Isl Midland.....	September	56,840	44,969	2,045,748
Tampa Electric Co.....	September	312,272	296,472	2,045,748
Third Avenue (Rec).....	October	415,757	379,721	2,045,748
Toronto Railway Co.....	3d wk Nov	147,940	142,768	2,045,748
Twin City Rap Tran.....	October	235,360	222,217	2,045,748
Tri-City Ry & Lt Co.....	October	235,360	222,217	2,045,748
Underground El Ry.....	October	235,360	222,217	2,045,748
of London—				
Three tube lines.....	Wk Nov 25	£14,720	£14,125	£639,715
Metropolitan Dist.....	Wk Nov 25	£12,231	£11,713	£546,692
United Tramways.....	Wk Nov 25	£5,215	£4,685	£306,976
Union (Rec).....	August	219,883	212,512	1,643,281
Union Ry, G & E Co(III).....	September	257,203	241,764	2,275,402
United Rys of St L.....	October	1051,471	1041,837	9,910,980
United RRs of San Fr.....	October	790,271	670,295	6,511,043
Westchester El (Rec).....	August	60,599	56,584	406,146
Whitcomb Co Ry & L.....	September	32,912	33,781	279,754
Yonkers RR (Rec).....	August	57,291	59,107	446,333
Youngest & Ohio Riv.....	September	22,728	21,825	175,400

c These figures are for consolidated company.

Electric Railway Net Earnings.—The following table gives the returns of ELECTRIC railway gross and net earnings reported this week.

Roads.	Gross Earnings—		Net Earnings—	
	Current Year.	Previous Year.	Current Year.	Previous Year.
Atlantic Shore Ry—b.....Oct	23,369	28,742	387	8,048
Jan 1 to Oct 31.....	297,928	308,473	73,186	81,217
Cleve Southw & Col—b.....Oct	99,404	96,394	42,875	41,932
Jan 1 to Oct 31.....	945,618	881,619	412,382	369,096
Federal Light & Tract.....Oct	138,308	127,343	57,953	54,886
Jan 1 to Oct 31.....	1,074,558	986,215	431,716	409,397
Honolulu Rap Tr & L'd b Oct	42,582	37,118	19,970	20,221
Jan 1 to Oct 31.....	409,727	373,675	193,069	180,568
Hudson Valley Ry—b.....				
July 1 to Sept 30.....	210,069	231,051	94,813	93,606
Jan 1 to Sept 30.....	440,806	504,594	176,644	136,551
Mexico Tramway.....Oct	543,751	527,603	277,425	267,768
Jan 1 to Oct 31.....	5,089,920	4,885,622	2,623,215	2,488,192
N Y State Rys—b.....				
July 1 to Sept 30.....	1,028,836	947,265	399,452	387,776
Jan 1 to Sept 30.....	2,755,758	2,543,417	1,106,670	965,979
Northern Ohio Tr & Lt a Oct	220,342	208,342	96,488	94,971
Jan 1 to Oct 31.....	2,240,088	2,045,748	1,005,730	922,519
Porto Rico Ry.....Oct	64,013	49,292	31,800	21,223
Jan 1 to Oct 31.....	616,413	453,906	312,259	220,692
Schenectady Ry—b.....				
July 1 to Sept 30.....	335,771	352,479	156,755	163,214
Jan 1 to Sept 30.....	902,080	898,548	375,993	365,574
Syracuse Rap Tran—b.....				
July 1 to Sept 30.....	412,418	409,557	169,838	130,705
Jan 1 to Sept 30.....	1,194,506	1,145,807	444,181	367,678
Troy & New England—b.....				
July 1 to Sept 30.....	16,315	16,375	9,998	10,122
Twin City Rap Trans b.....Oct	655,591	645,358	341,676	336,615
Jan 1 to Oct 31.....	6,508,029	6,265,727	3,295,327	3,268,877
Tri-City Ry & Light a.....Oct	235,360	222,217	105,833	90,930
Jan 1 to Oct 31.....	2,194,466	2,035,465	932,000	836,930
United RR's of San Fran.....Oct	700,271	670,295	343,765	319,484
Jan 1 to Oct 31.....	6,511,043	6,337,515	2,928,143	2,762,635
Utica & Mohawk Valley—b.....				
July 1 to Sept 30.....	370,277	354,160	176,053	173,602
Jan 1 to Sept 30.....	997,567	942,354	452,808	407,057
Winnipeg Elec Ry.....Sept	321,664	267,127	175,524	135,158
Jan 1 to Sept 30.....	2,825,637	2,298,384	1,433,507	1,144,626

a Net earnings here given are after deducting taxes.

b Net earnings here given are before deducting taxes.

Interest Charges and Surplus.

Roads.	Int., Rentals, &c.—		Bal. of Net Earnings.—	
	Current Year.	Previous Year.	Current Year.	Previous Year.
Cleveland Southw & Col.....Oct	30,070	29,794	213,411	212,831
Jan 1 to Oct 31.....	300,862	297,939	2118,047	278,084
Honolulu Rap Tr & L'd.....Oct	6,638	6,971	213,706	213,683
Jan 1 to Oct 31.....	65,913	65,789	2131,498	2120,476
Hudson Valley Ry—				
July 1 to Sept 30.....	71,761	67,509	224,197	227,065
Jan 1 to Sept 30.....	207,844	196,611	2249,084	2245,167
N Y State Rys—				
July 1 to Sept 30.....	214,773	204,924	223,385	2304,274
Jan 1 to Sept 30.....	628,686	558,111	21,007,399	2780,828
Northern Ohio Tr & Lt.....Oct	44,321	43,367	52,167	51,604
Jan 1 to Oct 31.....	443,390	433,528	562,340	488,991
Schenectady Ry—				
July 1 to Sept 30.....	38,045	38,554	2121,678	2127,507
Jan 1 to Sept 30.....	113,261	112,247	2271,619	2261,942
Syracuse Rap Trans—				
July 1 to Sept 30.....	71,958	96,491	298,298	234,345
Jan 1 to Sept 30.....	244,752	288,232	2200,399	280,072
Troy & New England—				
July 1 to Sept 30.....	2,835	2,824	27,320	27,436
Twin City Rap Trans.....Oct	140,079	140,321	201,597	196,294
Jan 1 to Oct 31.....	1,400,792	1,401,973	1,894,535	1,866,904
Tri-City Ry & Light.....Oct	270,263	58,504	35,570	32,426
Jan 1 to Oct 31.....	634,006	585,421	297,994	251,509
Utica & Mohawk Valley—				
July 1 to Sept 30.....	74,533	73,960	2103,442	2100,439
Jan 1 to Sept 30.....	221,539	221,233	2233,966	2187,896

c Includes dividends on preferred stock.

x After allowing for other income received.

ANNUAL REPORTS.

Annual Reports.—An index to annual reports of steam railroads, street railways and miscellaneous companies which have been published during the preceding month will be given on the last Saturday of each month. This index will not include reports in the issue of the "Chronicle" in which it is published. The latest index will be found in the issue of Nov. 25. The next will appear in that of Dec. 30.

Chicago & Alton Railroad.

917, an increase of \$243,432, or 16.2%, of which \$30,505 was due to increase in wages of employees. 7,287 tons of new rail and 410,335 ties were put in track. There was expended \$1,697 per mile of road for maintenance of way and structures.

The expenditures for maintenance of equipment were \$2,395,997, an increase of \$902,294, or 60.41%, practically all of which was in repairs of equipment. Of the total increase, \$17,409 was due to increase in wages of employees.

Average Cost for Repairs and Renewals per Unit, Based on Number Owned at Beginning of Year.

	Per Mile.	Per Locomotive.	Per Pass. Car.	Per Freight Car.
1910-11	\$1,697	\$3,891	\$923	\$71
1909-10	1,499	2,977	706	26

While the year's expenditures for maintenance of equipment have been unusually heavy, further expenditures are necessary to bring the equipment up to a desired condition, and with this end in view there has been a continuation of these heavy expenditures since the close of the fiscal year.

During the fiscal year 46 locomotives were added to the equipment, the great majority of which were of a much heavier type than those formerly in service, and required greater expenditures for maintenance (see sale of \$722,000 5% equipment notes dated Oct. 1 1910 in V. 91, p. 1095.—Ed.).

Transportation Expenses.—The expenses for conducting transportation were \$5,405,474, an increase of \$607,789, or 12.67%, of which \$102,786 was due to increase in wages of employees.

During August 1910 traffic was the heaviest in the history of the road, which caused a congestion; this due to the fact that the strike of miners in the State of Illinois was just ending, which resulted in an unusually heavy movement of coal.

Taxes.—While taxes for the cal. year 1910 show a small decrease, we feel that the taxes against your company are excessive, and the question is giving your management much concern. The total amount paid in taxes account of year 1910 was \$49,927, a decrease of \$9,706, or 2.1%. Since 1905 there has been an increase of \$72,499, or 19.2%, in the yearly tax.

Improvements.—The reinforced concrete subway at Main St., Normal, and the overhead viaduct at Lydia Ave., Kansas City, have been finished, eliminating dangerous grade-crossings. The work of reducing grades and double-tracking the road from Bloomington to Atlanta and from Iles to Nilwood, including the construction of passing sidings, and automatic block signals, has been completed. The Joliet track elevation work has progressed satisfactorily and a part of the permanent tracks on the elevation laid; foundations for the new union station have been completed, plans for the station itself have been agreed upon by the companies interested, and the work of constructing the building started. The improvements at Bloomington terminals are now in service, including a new 44-stall roundhouse, 100-ft. turntable, two 200-ft. cinder pits, two 100,000-gallon water-tanks and a new 600-ton coaling station.

The work of bank protection on the Missouri River has been continued above our bridge at Glasgow, to retard erosion and keep the river within its channel. The new passenger station at Lincoln should soon be finished.

Elevation work has continued, and the tracks in the city of Chicago have been elevated as far south as Western Ave. Boulevard and across that street on pile trestles, which will be replaced by permanent structures. In compliance with ordinances, the elevation of roadbed and tracks south of Brighton Park Yard from Albany Ave. to a point south of Kedzie Ave. has been started.

Additions and Betterments, Aggregating (net) \$1,934,142
Rolling stock (\$908,936) and pass. cars (\$7,079), less credits \$863,386
Road (notably increased weight of rail, \$48,919; add'l main tracks, \$222,835; sidings and spurs, \$90,614; terminal yards, \$117,724; elimination of grade crossings, \$102,144; shops, engine houses and turntables, \$268,590; water and fuel stations, \$64,913; interest and commissions, \$70,122) 1,070,756

General.—The necessity for a proportionate advance in rates of transportation to compensate increased cost is still prominently before your management. The average rate per ton per mile in 1901 was 0.723c.; in the year 1911, 0.606c. The ratio of operating expenses and taxes to gross operating revenue in 1901 was 65.50; in 1911, 74.47.

Federal legislation and the requirements of State executives relating to safety devices and the hours of service of train operators, dispatchers and switchmen have very materially increased operating costs.

Notwithstanding very substantial increases in wages granted to shopmen, switchmen, freight house men, section men and others during the year, the unrest in labor circles still exists, and their demands are constantly before us in some form.

The strike of coal miners in Illinois during the spring of 1910 extended over into the months of July and August of the present fiscal year, resulting in a material increase in the cost of fuel.

Lease.—On Oct. 1 1910 your company leased the Rutland Toluca & Northern RR., running from Rutland, Ill., to Granville, Ill., 27.03 miles, and crossing your road at Custer, Ill., for 999 years on a guaranty of principal and interest on \$225,000 1st M. 4% bonds. This property serves a rich agricultural and mining territory and will be a valuable feeder for your road. (See bond offering, V. 93, p. 408).

[The regular dividends at the rate of 4% per annum have been continued on the \$879,300 cumulative participating and prior lien pref. shares, but the last semi-annual dividend (2%) on the non-cumulative 4% pref. stock was paid in Jan. 1911. No dividend on common stock since Feb. 1910.—Ed.]

RAIL, BALLAST, BRIDGES, &c., IN MAIN LINE AND BRANCHES OWNED ON JUNE 30.

	100-lb.	80-lb.	75-lb.	70-lb.	65-lb.	60-lb.	56-lb.	52-lb.	Total.
1911, miles	25.28	883.78	50.83	111.37	6.10	58.60	31.12	33.63	1,200.71
1910, miles	-----	858.45	54.41	111.87	6.10	58.60	31.12	6.60	1,127.15

	Stone.	Gravel.	Cinders.	Slag.	Soil.	Bridges.	Total.
Main line, miles	555.08	142.76	139.86	23.34	—	5.04	866.08
Branches, miles	46.81	56.00	128.34	16.94	81.20	5.34	334.63

Total, miles	601.89	198.76	268.20	40.28	81.20	10.38	1,200.71
Total June 30 '10	618.46	163.05	197.99	56.00	81.44	10.21	1,127.15

1901	10,216.46	103,100	127,700	55,000	61,344	10,216.46	1,127,110
3. Bridges.	Aggreg.	Length	Bridges (ft.)	—	Overhead		
	&c.—	Stone.	Steel.	Concrete.	Wood.	Cross'gs (No.)	
1911	-----	304	28,545	61	640	26,261	38
			27,549		640		8

Between June 1899 and June 1911 the total tractive power of the locomotives in service was increased from 2,874,520 lbs. to 9,914,243 lbs., or 244.90%; the total capacity of the freight equipment in service was increased from 131,890 tons to 473,797 tons, or 259.23% (having been, however, 479,383 in June 1910); and the average capacity per car was increased within this period from 21.52 tons to 40.04 tons, or 86.06%.

OPERATIONS AND FISCAL RESULTS.

	1910-11.	1909-10.	1908-09.	1907-08.
Miles June 30	1,018	998	998	998
Operations, &c.	9,484,618	8,511,682	8,437,278	7,855,315
Tons rev. freight carried	1,520,839,146	1,363,210,565	1,339,954,801	1,256,931,872
Tons rev. fr't carr. 1 m.	\$2.40	\$2.29	\$2.34	\$2.48
Fr't recs. per train mile	0.606 cts.	0.598 cts.	0.572 cts.	0.610 cts.
Rev. passengers carried	3,781,436	3,833,022	3,828,056	3,427,982
Rev. pass. carr. 1 mile	216,375,657	218,496,830	209,859,470	189,430,982
Reets. per pass. per mile	1.972 cts.	1.893 cts.	1.822 cts.	1.854 cts.
Reets. per pass. train m.	—	—	—	—
(incl. mail & express)	\$1.46	\$1.42	\$1.33	\$1.39
Av. rev. tr. load (tons)	396	383.07	409.99	406.94
Gross revenue per mile	\$14,330	\$13,384	\$12,525	\$12,126

REVENUES AND EXPENSES.

	1910-11.	1909-10.	1908-09.	1907-08.
Operating Revenues—				
Freight	\$9,215,172	\$8,145,347	\$7,640,946	\$7,671,477
Passenger	4,265,988	4,136,595	3,824,144	3,511,410
Mail, express & misc.	1,111,359	1,076,533	1,035,592	919,903
	\$14,592,519	\$13,358,475	\$12,500,682	\$12,102,790
Expenses—				
Maint. of way & struct.	\$1,739,917	\$1,496,484	\$1,220,149	\$5,272,914
Transportation expenses	5,405,474	4,797,685	4,077,135	—
Maint. of equipment	2,395,998	1,493,703	1,248,746	1,558,466
Traffic expenses	494,685	470,092	504,398	483,688
General expenses	410,562	382,243	358,170	343,349
Total oper. expenses	\$10,446,636	\$8,640,207	\$7,408,598	\$7,658,416
Net operating revenues	\$4,145,883	\$4,718,268	\$5,092,084	\$4,444,374

INCOME ACCOUNT.

	1910-11.	1909-10.	1908-09.
Net operating revenues	\$4,145,883	\$4,718,268	\$5,092,084
Interest on stocks and bonds	1,705	2,908	3,787
Miscellaneous interest and discount	9,779	—	99,886
Other income	def. 26,380	def. 16,970	def. 9,656
Total net income	\$4,130,987	\$4,704,206	\$5,186,101
Deduct—			
Taxes	\$422,604	\$447,434	\$380,153
Hire of equipment—balance	561,083	245,179	195,543
Rentals paid—balance	137,417	197,990	171,994
Miscellaneous interest	—	9,604	—
Interest on bonds	2,205,288	2,199,057	2,017,462
Interest on collateral notes	—	—	300,000
Interest on equipment notes	331,936	249,334	213,664
Dividends on guar. stocks (rentals)	247,774	241,024	241,024
Discount on securities written off	67,411	42,596	291,065
Divs. on prior lien and partic. stock (2%)	17,586	(6%) 52,758	(8%) 70,344
Dividends on preferred stock (2%)	390,880	(4) 781,760	(4) 781,760
Dividends on common stock	—	(2) 390,856	(4) 781,712
Total deductions	\$4,381,979	\$4,857,592	\$5,444,721
Balance, deficit	\$250,992	\$153,386	\$258,620

BALANCE SHEET JUNE 30.

	1911.	1910.	1911.	1910.
Assets—	\$	\$	Liabilities—	\$
Road, fran., &c.	101,238,906	100,240,133	Capital stock	39,955,500
Equipment	16,084,852	15,356,713	Guaranteed stks.	3,693,200
Securs. pledged	83,821,894	3,784,893	Funded debt (see	
Sec. of adv. to			Ry. & Ind. Sec.)	71,249,000
affil. &c. cos.	600,433	476,980	Equip. tr. notes	4,502,500
Real estate, &c.	9,001	9,001	Bills payable	2,320,200
Cash	720,955	1,915,313	Vouchers	1,235,187
Agents and con-			Wages	466,001
ductors	611,229	277,382	Traffic, &c. bals	491,425
Traffic, &c. bals.	380,232	—	Agents' drafts	139,892
Cos. & individ's	706,290	576,478	Matur. int., divs.	—
Material & supp.	797,729	822,433	&c., unpaid	444,732
Misc. accounts	40,565	30,910	Misc. accounts	441,276
Deposited to re-			Taxes accrued	216,558
deem sinking			C. & A. divs. dec.	—
fund debens.	1,017	144,348	Accrued int. and	—
Disc. on securs.	507,974	553,734	guar. divs.	471,770
Unadjusted light			Oper. reserves	—
claims	41,026	203,988	Oth. def. credits	34,130
Oth. def. charges	143,859	127,152	Conting. liabils.	—
Conting. assets	4,229	4,229	Profit and loss	—
Total	125,705,963	124,523,687	Total	125,705,963

a After deducting \$602,204 reserved for accrued depreciation. b Securities pledged include in 1911 (total par value \$6,815,200 and book value \$3,821,894), viz. \$3,000,000 K. C. St. L. & Chicago RR. pref. and \$157,100 common stock; \$989,300 Louisiana & Missouri River RR. pref. and \$2,268,800 common stock; \$100,000 Kansas City Term. Ry. common stock and \$300,000 Mississippi River Bridge Co. com. stock. c Consists of securities of affiliated and other companies (total par value \$1,311,145 and book value \$577,072) including Joliet & Chicago RR. guaranteed stock, \$5,000; Peoria Ry. Term. Co. stock, \$500,000, bonds, \$140,000, and notes secured by its 1st M. bonds, \$177,080, and to be secured by 1st ref. M. bonds when issued, \$141,380; Terminal Ry. Ass'n of St. Louis stock, \$205,800; Kansas City St. Louis & Chicago RR. com. stock, \$500; Louisiana & Missouri River RR. pref. stock, \$10,500, and com. stock, \$32,700; Rutland Toluca & Northern RR. stock, \$97,000; Springfield Hotel Co. stock, \$1,000; misc., \$185; advances, \$23,361. d After adding profit on sale of Kansas City Union Depot stock, \$45,000, and misc. adjustments, \$180,722, and deducting loss on property abandoned, \$82,502, and miscellaneous, \$104,159.—V. 93, p. 1259, 939.

Norfolk Southern Railroad Co.

(Report for Fiscal Year ending June 30 1911.)

President and General Manager E. T. Lamb, Norfolk, Va. Oct. 16 1911, wrote in substance (see also bond offering on a subsequent page and acquisitions noted last week, p. 1463.—Ed.):

Results.—The operating revenue, \$2,955,671, shows an increase of \$265,201; operating expenses, \$1,833,293, an increase of \$168,500, and net operating revenue, \$1,122,378, an increase of \$96,701. The operating income (after taxes) was \$1,052,718, being an increase of \$105,351, and the other income amounted to \$70,091, or an increase of \$51,324 (chiefly due to a dividend of \$50,000 from the John A. Roper Lumber Co.—Ed.). Interest accrued on funded debt decreased \$474,817 as a result of the reorganization. The net corporate income, \$610,450, contrasts with a deficit of \$43,234 in 1909-10. Three quarterly dividends of $\frac{1}{4}$ of 1% each have been paid, calling for \$240,000 and leaving a surplus for the late year of \$370,450. The reorganized company having begun operations May 1 1910, the results for the year ending June 30 1910 are shown for comparison only.

Gross Operating Revenues per Mile of Road—Years ending June 30.

	1910-11.	1909-10.	1908-09.	1907-08.
Gross	\$4,863	\$4,467	\$4,155	\$3,915

For the past fiscal year the number of tons of freight carried increased 6.8% over 1909-10; the number of tons one mile increased 11.3%. The average number of tons per loaded car mile increased 3.5%, but the average number of tons per train mile decreased from 184.70 in 1910 to 152.04 in 1911, due to the operation of a fast mixed train service between Norfolk and Raleigh and Norfolk and Goldsboro. The number of passengers carried increased 10.6% and the No. of passengers carried 1 mile increased 6.4%.

Average Cost of Repairs per Locomotive and per Car Owned for the Year.

	Locomotives.	Passenger Cars.	Freight Cars.
1910-11	\$1,382	\$455	\$40
1909-10	1,163	403	31

The average amount expended per mile of road was \$568, as compared with \$513 for 1909-10, an increase of 10.9%. Cross-ties used in renewals, 171,474, against 164,656 in 1909-10; of these, 20,197 were creosoted in 1910-11 and 5,181 in 1909-10. 4.3 miles of new 70-lb. steel rail were laid in the main line track, replacing a like amount of 60-lb. rail. New ballast placed in the track: Sand, 5,336 cubic yards; crushed stone, 1,870 cubic yards; oyster shells, 128,329 bushels. Four new track scales were installed.

Funded Debt.—On Oct. 1 1910 the company executed a "first and refunding mortgage" to secure an authorized issue of \$12,000,000 5% bonds, due Jan. 1 1960. On the same date there was also executed, to provide funds with which to discharge all outstanding Norfolk & Southern Ry. Co. collateral trust notes, receiver's certificates and obligations, Raleigh & Pamlico Sound RR. 1st M. bonds and Suffolk & Carolina Ry. gen. 1st M. bonds, a collateral trust indenture, dated Oct. 1 1910, securing \$4,360,000 6% collateral trust notes, the \$5,780,000 bonds issued under the "first and refunding" mortgage being pledged as collateral.

An authorized issue of \$12,000,000 bonds being deemed insufficient, a new "first and refunding mortgage" dated Feb. 1 1911 was executed on May 10 1911, securing an authorized issue of \$35,000,000 bonds, due Feb. 1 1961. Simultaneously the mortgage of June 15 1910 and the collateral trust indenture of Oct. 1 1910 were discharged.

Purposes for which the \$35,000,000 First and Ref. Bonds Are Issuable.

General corporate purposes \$8,100,000
To retire underlying 5% bonds [N. & S. RR. 1st M., \$1,655,000; N. & S. RR. 1st gen. M., \$825,000; S. & C. 1st consol. M., \$650,000] 3,130,000
Extensions, betterments, improvements, purchase of equipment and acquisition of additional railroads 23,770,000

Of this issue of bonds, \$5,837,000 are outstanding; \$4,360,000 of the amount derived from the sale of these bonds was used to retire the collateral trust notes, the balance having been deposited in the treasury for corporate purposes.

Mileage.—The average number of miles of single track operated during the past fiscal year was 607.49 miles, as compared with 598.42 miles for the previous year, an increase of 9.7 miles, or 1.62%. There was an increase of 6.71 miles of side track; 47 industrial spur tracks, aggregating 4.33 miles, were completed and placed in operation.

Norfolk (Va.) Terminal Ry.—Early in the year your company subscribed for \$25,000 capital stock of the Norfolk Terminal Ry. Co., and on May 20 1911 entered into an agreement with the Norfolk & Western Ry. Co. (V. 93,

p. 673), the Virginian Ry. Co. (V. 93, p. 1184), Guaranty Trust Co. and Norfolk Terminal Ry., providing for the use of the terminal facilities of said Norfolk Terminal Ry. Co. by your company for a term of 100 years and for the guaranty by the three companies named of the principal and interest of not exceeding \$2,000,000 1st M. 50-year 4% gold bonds of the Terminal Co.; \$1,000,000 of these bonds have been sold to provide for the construction of the terminal facilities, &c. The three companies also entered into an agreement providing for the deposit with the said trust company of the stock of the Norfolk Terminal Ry. Co., owned by them, for the purpose of securing the punctual performance of the obligations of each company respecting said union station. There have been issued 759 shares of stock of the par value of \$100 each, 250 shares each being owned by the aforesaid companies, the remaining 9 shares by the individual directors.

Contract has been let by the Norfolk Terminal Ry. Co. for the construction of said union station and a 7-story office building, three stories of which will be used by the Norfolk Southern Ry. Co., three stories by the Virginian Ry. Co. and one story by the Norfolk & Western Ry. Co. It is anticipated that this work will be completed about May 1 1912.

Other New Stations.—Your company has constructed for its use and that of the Atlantic Coast Line R.R. Co. a passenger station at Newbern, N. C., at a cost of \$36,361. The Coast Line R.R. Co. pays this company annually 2 1/2% of the cost of land and improvements and its proportion of the cost of operation, maintenance, taxes, &c., based on the number of its passenger cars arriving at and departing from that station.

At Norfolk, Va., a large brick and steel warehouse and wharf costing about \$112,000 was completed. The Trent River warehouse and wharf at Newbern, N. C., destroyed by fire on Oct. 29 1910, was replaced with a more modern structure. Numerous small stations, warehouses, platforms, &c., were constructed or enlarged.

Agricultural Development.—Our "land and industrial department" has been reorganized and has undertaken to place the agricultural advantages of the territory served before the people of other States. All the counties traversed by the line are rich in fertility and yield wonderful crops, especially those located between Albemarle and Pamlico sounds. In this particular section there are thousands of acres of undeveloped land particularly adapted to corn and cotton, and unequalled for the growing of strawberries and vegetables of all kinds. Large areas, of which this company owns many thousand acres, are being drained and developed, many miles of canal construction having already been completed and the construction of many additional miles are under contract. Sales of a large number of acres of these undeveloped lands have been made during the year to prominent persons.

Miscellaneous.—A dispatcher's telephone system, between Norfolk and Washington, N. C., 126 miles, has been completed. Pullman sleeping cars were put in operation between Norfolk and Raleigh and Norfolk and Goldsboro and Pullman parlor cars between Norfolk and Newbern.

The population of the counties served by this company shows for 1910 an increase over 1890 of 188,353, or 46.55% and an increase over 1900 of 96,584, or 19.46%.

Lumber Company.—This company owns all the capital stock and bonds of the John L. Roper Lumber Co., and the report of the President of that company of the operations during the year is attached.

CLASSIFICATION OF TONNAGE—PRODUCTS OF.

Year—	Agriculture.	Animals.	Mines.	Forests.	Manufac.	Miscel.
1910-11	202,363	25,299	143,747	862,897	146,645	202,925
1909-10	197,725	26,329	139,078	816,252	130,219	173,497

TRAFFIC STATISTICS.

	1910-11.	1909-10.		1910-11.	1909-10.
Average miles—	607	598	Rec. p. pass. p. m.	1,604 cts.	1,510 cts.
* Equipment—			Rev. p. pass. p. m.	\$0.62574	\$0.62764
Locomotives—	67	68	No. of tons carr.	1,583,896	1,483,100
Passenger cars—	128	121	Tons carr. 1 m.	123,282,063	110,786,603
Freight—	2,587	2,859	Rec. p. ton p. m.	1,620 cts.	1,658 cts.
Working, &c.—	62	58	Rev. p. ft. tr. m.	\$2.46	\$3.06
Traffic—			Av. tons p. tr. m.	152.04	184.70
Pass. carried—	2,211,577	1,999,038	Gross rev. p. m.	\$4.864	\$4.467
Pass. carr. 1 m.	47,308,669	44,443,760			

* Equipment as above on June 30 1911 includes 15 locomotives leased and 341 cars in passenger, freight and company's service. The company also owned 7 barges, 4 car floats, 1 steamboat and 1 tug.

INCOME ACCOUNT.

	1910-11.	1909-10.		1910-11.	1909-10.
Revenues—			Net oper. revenue.	\$1,122,378	\$1,025,677
Freight—	\$1,997,603	\$1,836,685	Outside oper., net.	Cr. 1,324	Deb. 5,661
Passenger—	758,856	672,231	Taxes accrued—	70,984	72,649
Mail, exp. & misc.—	150,635	160,371			
Other rev. from op.	48,577	21,183	Oper. income—	\$1,052,719	\$947,367
Total	\$2,955,671	\$2,690,470	Other income—	a70,091	18,767

	1910-11.	1909-10.		1910-11.	1909-10.
Expenses—			Gross corp. inc.	\$1,122,810	\$966,134
Maint. of way, &c.	\$345,651	\$306,806	Deduct—		
Maint. of equipm't	345,770	332,165	Rent, lease of road	\$94,598	\$90,345
Traffic expenses—	59,905	48,526	Hire of equipment	3,310	25,109
Transport'n expen.	921,517	812,068	Int. on bonds, &c.	413,576	893,914
General expenses.	160,450	165,230	Other deductions—	876	
Total	\$1,833,293	\$1,664,793	Dividends (1 1/2%).	240,000	-----
P. c. exp. to earn.	(62.03)	(61.88)	Total	\$752,360	\$1,009,368

a Other income (\$70,091) includes \$57,153 from investments (of which \$50,000 from \$1,000,000 John L. Roper Lumber Co. stock, \$7,815 from interest on loans and accounts and \$5,123 from miscellaneous sources).

INCOME ACCOUNT JOHN L. ROOPER LUMBER CO., YEAR END. JUNE 30 '11.

Gross earnings—	\$1,844,994	Total income—	\$209,801
Operating expenses—	1,670,494	Int., taxes, depreciation, &c.—	84,211

Income from operation—	\$174,500	Balance—	\$125,590
Other income—	35,301	Profit from sale of lands—	1,420

Total income—\$209,801 Total to surplus account—\$127,010

Sales of lumber, logs, &c., amounted to 115,473,940 feet. Pres. C. I. Millard states that various conditions incident to the reorganization resulted in decreased output and increased operating cost. It is anticipated that the results for the current year will be somewhat more favorable.

BALANCE SHEET JUNE 30 1911.

Assets (\$28,672,021)—		Liabilities (\$28,672,021)—	
Road and equipment—	\$19,222,937	Capital stock—	\$16,000,000
Real estate not used in oper.	155,343	Funded debt (see "Ry & Indus." Section)	11,373,000
Leased rail—	150,424	Traffic, &c.—	49,765
Securs. of underlying & other cos., pledged & unpledged	6,588,769	Vouchers & other curr. liabls	406,003
Cash—	1,427,276	Accrued int. on bonds, &c.—	135,396
Accts. rec. & mater. & supp.	491,195	Taxes accrued—	27,202
Accrued income—	1,725	Rentals accrued—	12,270
Deferred debit items—	634,352	Deferred credit items—	12,447
		Reserve—	\$212,225
		Surplus—	443,713

a Includes road, \$17,009,633, and equipment, \$2,309,974; less reserve for depreciation, \$96,670. b Reserve to meet unadjusted claims and funds held in suspense of the old company.

Directors.—Frederick Bull, T. L. Chadbourne Jr., George C. Clark, R. R. Colgate, George J. Gould, Frederick Hoff, S. L. Schoonmaker, Oakleigh Thorne and John I. Waterbury, all of New York; E. C. Duncan, Raleigh, N. C.; C. E. Foy, Newbern, N. C.; Rathbone Gardner, S. M. Nicholson and Marsden J. Perry, Providence, R. I.; Caldwell Hardy and E. T. Lamb, Norfolk, Va., and Frank A. Sayles, Saylesville, R. I.—V. 93, p. 1463, 1387.

Toledo St. Louis & Western Railroad.

(Report for Fiscal Year ending June 30 1911.)

President T. P. Shonts says in substance:

Results [as shown by Mr. Shonts in a tabulated statement—Ed.]—The total operating revenue was \$3,777,677, contrasting with \$3,772,636 in 1909-10, but the operating expenses increased \$222,241 and taxes increased \$6,905, so that the net operating revenue was only \$998,611, against \$1,222,717, or a decrease of \$224,105. The income received from investments was \$195,936, being a decrease of \$417,984 [due to the

decreased returns on holdings of Chicago & Alton stock.—Ed.] After deducting interest and other fixed charges there remained a surplus of \$72,797, contrasting with \$749,548 in 1909-10. Dividends on pref. stock called for \$398,104, leaving a deficit for the year of \$325,307, as against a surplus of \$351,444 for 1909-10.

Revenue from freight traffic was \$3,084,521, a decrease of \$6,251, or 0.21%. The number of tons of revenue freight carried 1 mile decreased 34,535,147, or 5.61%, and the average miles each ton of freight hauled was 170.07 miles, a decrease of 21.15 miles, or 1.106%. The revenue per ton per mile was .00527c., as compared with .00499c. last year, or an increase of 5.61%.

Very satisfactory results have been accomplished in an industrial way, a number of new industries having been located on your line of road.

Operating Expenses.—These aggregated \$2,608,013, being an increase of \$222,241, or 9.32%.

Expenditures for maintenance of way and structures increased \$48,264, or 11.83%, of which \$10,337 is due to increase in wages; 3,043 tons of new rail were placed in track, also 128,059 cross ties. There was expended \$1,012 per mile of road for maintenance of way and structures. Maintenance of equipment was \$569,026, increase \$35,966, or 6.75%, due to extensive repairs to locomotives, passenger and freight car equipment, and to increase in rate of pay of shop employees.

Of the total increase of \$120,045, or 9.64%, in the cost of conducting transportation, \$57,598 is due to increase in wages. Compared with the year preceding, while loaded car mileage decreased 1,159,350, or 3.67%, empty car mileage increased 1,812,224 miles, or 16.65%, and, in addition to this, the increased disparity between eastbound and westbound tonnage added materially to freight-train costs; thus, possibly, the greatest factor of increased transportation cost was commercial conditions, which added largely to the cost of train service.

Other Income.—The dividends received on holdings of Chicago & Alton R.R. Co. pref. stock (\$6,480,000) were 2%, as compared with 4% last year. No dividends were received on holdings of the Chicago & Alton R.R. Co. common stock (\$14,420,000).

General.—During the year your company completed arrangements for joint use of the new freight terminals of the Mo. Kan. & Texas Ry. Co. of St. Louis, Mo. The advantageous location of these facilities has proven not only a valuable aid to your traffic officers in the solicitation of freight to and from St. Louis proper, but has also made it possible to materially strengthen traffic alliances with other lines on business to the East, West and Southwest.

Track arrangements have been made with the Cincinnati Hamilton & Dayton R.R. Co. for the use of its line between Springfield, Ill., and Metcalfe, Ill. The use of this line enables the interchange of traffic as between the Chicago & Alton R.R. Co. and your company in both directions, not only on traffic originating and destined to points on these lines proper, but on through traffic moving in both directions, this route being shorter than through any of our other junctions, the service being more easily maintained at a lesser cost in terminal expense. The results already accomplished by the use of this new route have been gratifying, and the volume of business is constantly increasing.

The operations for the year have felt the full effect of the higher rates of wages paid, and improved working conditions granted in meeting the demands of labor; and with the constantly increasing requirements of State and Federal laws and administrative boards, the necessity for a proportionate advance in rates of transportation to compensate such increased costs is still prominently before your management.

It will be noted that while gross operating revenue has increased 0.13%, operating expenses have increased 9.32%.

The average rate per passenger per mile in 1901 was 1.83c.; in the year 1911, 1.78c.; average rate per ton per mile in 1901 was .00542; in the year 1911, .00527.

Notwithstanding substantial increases have been granted to employees generally, the unrest in labor circles and the competition of labor crafts in various sections of the country as to which can make the best arrangements still exists, and their demands are constantly before us in some form.

[Expenditures for additions and betterments of road aggregated \$94,650; of equipment net credits, \$9,916.—Ed.]

CHARACTERISTICS OF LINE—TOTAL MILES 450.72.

	Curved Miles.	Tangent Miles.	Level Miles.	Ascending—Miles.	Descending—Miles.
June 30—					
1911	50	400	19	3,426	220

COMPOSITION OF TRACK JUNE 30—TOTAL MILES 450.72.

	Fl. Bridges, &c.	Miles of Ballast—	Miles of Rails—
June 30			
1911	7,577	33,897	23
1910	6,670	33,004	23

AVERAGE REPAIRS PER YEAR.

	Per Mile Road.	Per Locomotive.	Per Pass. Car.	Per Freight Car.
1910-11	\$1,012.01	\$2,685.23	\$719.37	\$67.08
1909-10	904.93	2,397.27	550.15	58.21

CLASSIFIED STATEMENT OF TONNAGE.

Fiscal Year—	Agricul.	Animals.	Mines.	Forests.	Other.	Total All.
1910-11	549,864	166,207	1,450,377	274,852	999,071	3,440,371
1909-10	483,633	121,244	1,267,298	305,068	1,063,288	3,240,531
1908-09	477,749	117,326	1,120,196	253,779	961,326	2,930,376
1907-08	609,721	151,871	1,237,142	238,459	975,922	3,213,115

In 1910-11 "other" includes iron and steel rails, 17,947, decrease 26,163; bar and sheet metal, 40,673 tons, decrease, 164,330, iron—pig and bloom, 137,089 tons, increase 73,049.

Equipment June 30—	No.	Trac. Pow. (lbs.)	Pass. Cars.	No.	Cap. (tons).
1911	94	2,546,541	42	3,261	103,495
1910	94	2,546,541	42	3,317	105,000

TRAFFIC STATISTICS.

	1910-11.	1909-10.	1908-09.	1907-08.
Operations—				
Miles operated—	451	451	451	451
Passengers carried—	664,497	692,156	661,001	712,152
Passengers carried 1 mile	25,595,531	26,640,808	27,659,139	32,524,053
Earn. per pass per mile.	1.785 cts.	1.676 cts.	1.652 cts.	1.598 cts.
Pass. earn. per train mile	\$0.70	\$0.70	\$0.73	\$0.69
Tons rev. freight carried.	3,440,371	3,240,531	2,930,376	3,213,115
Tons rev. freight carr. 1 m.	585,108,885	619,644,032	531,797,878	612,646,605
Earns. per ton per mile.	0.527 cts.	0.499 cts.	0.514 cts.	0.502 cts.
Freight earn. per train m.	\$2.38	\$2.40	\$2.37	\$2.33
Avge. tons per train mile	450.9	481.3	460.9	456.0
Gross earnings per mile.	\$8.381	\$8.370	\$7.607	\$8.482

REVENUES AND EXPENSES.

	1910-11.	1909-10.	1908-09.	1907-08.
Operating Revenues—				
Freight—	3,084,521	3,090,773	2,734,152	3,072,674
Passenger—	456,773	446,672	456,963	519,719
Mail, exp. and miscell.—	236,383	235,191	237,529	230,441

Total oper. revenues—	3,777,677	3,772,636	3,428,644	3,822,834
Expenses—				
Maint. of way and struct.	456,134	407,870	374,456	486,238
Maint. of equipment—	569,026	533,060	378,036	448,731
Traffic expenses—	108,047	92,047	71,487	132,792
Transportation exp.—	1,365,427	1,245,382	1,158,378	1,359,859
General expenses—	109,379	107,413	95,363	145,736

Total expenses—	2,608,013	2,385,772	2,077,721	2,573,355
Net oper. revenues—	1,169,664	1,386,864	1,350,923	1,249,479

INCOME ACCOUNT.

	1910-11.	1909-10.	1908-09.
Net operating revenue—	\$1,169,664	\$1,386,864	\$1,350,923
Divs. on Chicago & Alton pref. stock—	129,600	259,200	259,200
do do common stock—	-----	288,400	576,800
Dividends on Det. & Tol. S. L. stock—	57,120	57,120	42,840
Other income—	27,419	28,501	4,774
Total net income—	1,383,803	2,020,085	2,234,537

Deduct—	1911.	1910.	1909.	1908.
Taxes	\$	\$	\$	\$
Hire of equipment—balance	171,052	164,147	148,711	148,711
Rentals—balance	133,375	89,653	114,777	114,777
Interest on bonds	3,964	15,021	21,139	21,139
Int. on equipment trust certificates	954,390	954,390	954,390	954,390
Advances Tol. Term. Ry. interest	26,625	31,125	35,625	35,625
*Preferred dividends (4%)	21,600	16,200	21,600	21,600
	398,104	398,104	398,104	398,104
Total deductions	1,709,110	1,668,640	1,694,346	1,694,346
Balance, surplus or deficit	def. 325,307	sur. 351,444	sur. 540,191	

*Deducted from profit and loss account, but here shown for simplicity.

BALANCE SHEET JUNE 30.

Assets—	1911.	1910.	Liabilities—	1911.	1910.
Cost of road, &c. a38,497,636	38,219,686		Preferred stock	9,952,600	9,952,600
Securities b12,435,500	12,436,503		Common stock	9,995,000	9,995,000
Cash	273,385	520,170	Funded debt	28,127,000	28,227,000
Agts. & conductors	158,243	72,244	Bills payable	150,000	150,000
Traffic, &c., bal.	248,014	26,861	Vouchers & wages	324,503	465,022
Cos. & individuals	210,438	263,442	Agents' drafts	83,791	69,438
Loans & bills rec.	221,835	485,828	Int., divs., &c., due		
Materials & supp.	174,993	320,577	and accrued	393,616	395,917
C. & A. pf. divs. acc.		129,600	Misc. accounts	142,429	56,251
Adv. Tol. Term. Ry.		48,600	Traffic balances	74,209	
Unadj. fgt. claims	38,546	111,205	Taxes accrued	114,781	110,872
Other def. deb. items	16,928	31,343	Operating reserves		172,137
Miscellaneous	12,649	5,285	Oth. def. cred. items		2,087
			Profit and loss	c2,981,283	3,075,019
Total	52,289,217	52,671,344	Total	52,289,217	52,671,344

a After deducting reserve for accrued depreciation, \$147,085. b Securities in 1911 include: Chicago & Alton pref. stock \$6,480,000, and common stock \$14,420,000 (par value \$20,900,000) book value, \$11,527,000, and Det. & Tol. Shore Line RR. stock, \$714,000, and 1st M. bonds, \$230,000, par value, \$944,000, book value, \$909,500.

c After adding \$218,712 for depreciation provided prior to July 1 1907 in respect of equipment still in service, now written back and deducting net miscellaneous debits aggregating \$37,134.—V. 93, p. 732, 46.

Cincinnati New Orleans & Texas Pacific Ry.

(Report for Fiscal Year ending June 30 1911.)

The report of Pres. W. W. Finley, Cincinnati, Nov. 21, shows:

Income Statement.—The gross operating revenues increased \$125,933; total operating expenses, however, increased \$585,318, so that net operating revenue decreased \$459,384. The total available income was \$1,005,370, or \$292,153 less than in 1909-10. Permanent improvements, additions and betterments, which revert to lessor under lease, aggregated only \$606,671, against \$1,475,959 in 1909-10, so that the balance available for dividends, &c., was \$1,298,699, an increase of \$577,135.

The charges to transportation account increased \$230,149, or 9.21%, due principally to increased passenger and freight-train mileage and to higher wages paid to employees.

The increase of \$131,627 in other income was due chiefly to increased receipts from the per diem rental of freight-train cars. The decrease of \$53,962 in deductions from income is explained by the reduced amount of interest paid on equipment trust and construction obligations.

The charge of \$606,671 to permanent improvements includes balance of cost of the new steel structure at High Bridge, Ky., other additions and improvements made during the year and the balance of amount charged annually to income for second main track, bridges, signals, buildings, &c.

The decrease in permanent improvements, additions and betterments, which revert to the lessor under the lease, amounting to \$869,288, is due to the fact that the expenditures which the company has made in former years now enable it to keep abreast of its business with less outlay for such impts.

Financial Condition.—There has been credited to profit and loss this year \$277,185 for reserves created in previous years for the purpose of making various improvements which it was afterwards found could be properly omitted or deferred.

Final payments have been made of the 5% construction notes dated Apr. 2 1906 and 6% construction notes dated Dec. 2 1907. Of the former issue, \$305,000 were paid during the year and of the latter \$86,000.

Equipment trust agreement Series C, dated May 15 1911, was created, covering the purchase of 10 passenger locomotives, 35 freight locomotives, 26 passenger-train cars and 100 steel hopper-bottom coal cars, at cost of \$1,258,475, payable \$258,475 in cash and the balance, \$1,000,000, in 20 equal semi-annual installments of \$50,000 each on May 15 and Nov. 15 of each year, bearing interest at 4 1/2% per annum. The first installment was paid Nov. 15 1911 and the final payment will be due May 15 1921 (V. 92, p. 1031). Total payments made during the year on account of equipment trust obligations amounted to \$441,464.

Equipment.—The additions were: 15 locomotives, 1 derrick car, 2 road-way ditching cars and 5 box cars, converted into caboose cars, \$315,065; betterments, \$15,202; total, \$330,267. Less retired from service: 8 Locomotives and 171 cars, \$187,363. Net increase, \$142,904.

During the year equipment trust obligations on 37 locomotives and 2,400 freight-train cars were paid off and this equipment became the property of the company. Of the equipment on hand at the close of the year, there are subject to equipment trust liens: 10 passenger and 35 freight locomotives, 26 passenger-train cars and 3,141 freight-train cars.

Maintenance.—The charges to maintenance of way and structures show an increase of \$18,692, or 1.89%, over the expenses for the previous year, which were 23.84% in excess of those for the fiscal year ended June 30 1909.

During the year ended June 30 1910 heavy expenditures were made for the replacement of and repairs to bridges, while this year special attention was given to the renewal of ballast, ties and rails. There were 173,173 cubic yards of ballast distributed this year, as against 125,741 cubic yards last year, an increase of 47,432 cubic yards. The number of cross-ties used in renewals was 239,482, an increase of 14,114 over the renewals last year. New steel rail laid in track this year was 11,033 tons, as against 6,739 tons during the previous year, an increase of 4,294 tons, or 63.72%.

The charges to maintenance of equipment amounted \$1,916,375, an increase of \$324,299, or 20.37%, due chiefly to repairs to freight-train cars and locomotives.

Additional Facilities.—The new steel double-track structure over the Kentucky River at High Bridge was put in service Sept. 11 1911. The bridges of light capacity between Danville and Ludlow, Ky., are being replaced with modern structures, or, where possible, with concrete arches and permanent fills. During the year 1.59 miles of additional second main track near Cedar Grove, Ky., were completed and put into operation. The total length of second main track completed and in service June 30 1911 was 79.84 miles.

Authority was given in October 1910 for the construction of second main track between Oakdale and Lansing, Tenn., a distance of 14 miles, with the exception of gauntlets through three tunnels, at an estimated cost of \$410,000. This improvement is progressing steadily, but will not be completed before the spring of next year.

Two telephone circuits for handling trains were installed between Danville, Ky., and Oakdale, Tenn., a distance of 138 miles; also 19 automatic signals and two interlocking plants. At June 30 1911 there were 802 automatic or staff signals in service, protecting the entire line from Cincinnati, O., to Chattanooga, Tenn.

Terminals.—The terminals at Cincinnati, which, under the terms of the lease, the lessor is obligated to construct, are not yet completed. The trustees have secured the necessary legislative authority for the issue of additional bonds of the city of Cincinnati to an amount not exceeding \$500,000, and the city is now in a position to complete the terminals.

Traffic Conditions.—During the greater part of the year the freight traffic conditions were good and the company enjoyed an increased tonnage movement in nearly all commodities. During the last few months of the year the traffic was affected by the less favorable conditions in business, which were felt generally. New developments in the coal fields served by the company have been active, the coal tonnage shows an excellent increase and the outlook for the future of this tonnage is promising.

The passenger traffic continues to show a healthy growth, and in order to provide for the increased business the company has strengthened its passenger service by an additional through train between Cincinnati and east Tennessee and the Carolinas. It has long been the aim of Charleston and

South Carolina to have direct through service to the Ohio River and the West. This additional train accomplishes this desire. [A semi-annual dividend of 3%, also an extra distribution of 2 3/4%, has been declared on the \$3,000,000 common stock, payable Dec. 15 1911 to holders of record Dec. 2, comparing with 2 1/4% semi-annually from June 1907 to June 1911.—Ed.]

TRAFFIC STATISTICS.

Operations—	1910-11.	1909-10.	1908-09.	1907-08.
Miles operated	335	335	335	335
No. passengers carried	1,403,384	1,394,439	1,269,963	1,318,681
Pass. carried 1 mile	79,492,273	73,569,696	65,815,832	66,905,840
Rev. per pass. per mile	2.10 cts.	2.09 cts.	2.15 cts.	2.32 cts.
Tons rev. freight moved	4,906,920	5,062,538	4,277,394	4,299,008
Tons fr't moved 1 mile	931,626,139	964,134,967	781,795,057	775,262,245
Rev. per ton per mile	0.76 cts.	0.73 cts.	0.77 cts.	0.76 cts.
Av. train-load (rev.) tons	400	439	378	341
Earns. p. pass. tr. mile	\$1.41	\$1.49	\$1.51	\$1.45
Earns. per fr't tr. mile	\$3.02	\$3.22	\$2.90	\$2.60
Gross earnings per mile	\$27.441	\$27.066	\$23.332	\$23.526

INCOME ACCOUNT.

Operating Revenues—	1910-11.	1909-10.	1908-09.	1907-08.
Freight	7,043,373	7,082,859	5,995,670	5,924,807
Passenger	1,668,145	1,586,939	1,417,496	1,554,675
Mail, exp. and miscell.	446,912	416,334	378,450	373,593
Other rev. from oper.	46,975	43,339	35,366	38,975
Total oper. revenue	9,205,405	9,079,471	7,826,982	7,892,050
Operating Expenses—				
Maint. of way & struc.	1,006,435	987,743	797,598	656,073
Maint. of equipment	1,916,375	1,592,076	1,500,297	4,970,791
Transportation expenses	2,729,481	2,499,332	2,355,639	
Traffic expenses	245,383	235,339	205,254	198,384
General expenses	218,517	216,383	210,863	203,199
Total oper. expenses	6,116,191	5,530,873	5,069,651	6,028,447
Net operating revenue	3,089,214	3,548,598	2,757,331	1,863,603
Outside oper.—net def.	16,443	3,014	12,272	11,023
Total net revenue	3,072,771	3,545,584	2,745,059	1,852,580
Taxes accrued	254,483	249,554	237,760	221,002
Operating Income	2,818,288	3,296,030	2,507,299	1,631,578
Hire of equip. balance	361,514	254,999	101,456	277,268
Income from invest., &c.	78,587	53,474	43,149	62,323
Total gross income	3,258,389	3,604,504	2,651,904	2,071,169
Deductions—				
Rental to Cincinnati	1,229,990	1,231,450	1,232,650	1,233,850
Miscell. int. & rentals	123,029	175,530	224,255	229,809
Permanent improv'ts	606,671	1,475,959	678,475	340,000
Divs. on pref. stk. (5%)	122,670	122,670	118,880	100,000
Divs. on com. stk. (5%)*	150,000	150,000	150,000	150,000
Total deductions	2,232,360	3,155,609	2,404,269	2,053,659
Balance, surplus	1,026,029	1,448,895	1,247,635	17,510

*Deducted by the company from profit and loss, but here shown for the sake of simplicity.

BALANCE SHEET JUNE 30.

Assets—	1911.	1910.	Liabilities—	1911.	1910.
Road & equipm't. a8,848,584	8,872,545		Common stock	3,000,000	3,000,000
Misc. securities	1,033,790	1,033,790	Preferred stock	2,453,400	2,453,400
Physical property	4,515	4,515	5% gold notes		305,000
Supplies & mat'ls.	512,561	446,920	6% gold notes		86,000
Cash	1,413,496	1,350,812	Vouchers & wages	739,951	770,671
Securs. in treasury	10,000		Misc. accounts	146,328	148,035
Agts. & conductors	183,980	199,635	Accrued taxes	207,758	204,325
Bills receivable	700	17,345	Equip. obligations	1,968,000	1,409,464
Traffic balances	226,414	237,760	Rent & Int. acc'd	265,413	270,037
Misc. accounts	364,193	279,335	Traffic balances	206,157	218,461
Special deposits	1,093,984	371,857	Oper. reserves	615,174	1,083,936
Other def. debit items	161,548	232,465	Oth. def. cred. items	76,534	38,081
			Approp. surplus	98,155	340,990
			Profit and loss	84,076,995	2,718,580
Total	13,853,765	13,046,980	Total	13,853,765	13,046,980

a After deducting \$2,140,956 reserved for accrued depreciation of equipment. b After adding \$1,176,029 for adjustment of reserve balances, and net miscellaneous credits, \$55,100.—V. 93, p. 1461.

Aurora Elgin & Chicago (Electric) RR.

(Report for Fiscal Year ending June 30 1911.)

Pres. L. J. Wolf, Cleveland, Oct. 17 1911, says in substance:

Lighting and Power Department.—The Elgin lighting department has shown a very satisfactory growth of business, the increase in connected load being equivalent to 4,500 16-candle-power lamps and 300 h.p. motors. At West Chicago, a city of 2,500 population, a 50-year lighting franchise and contract with the city for street lighting has been obtained. The old private lighting system was purchased and replaced with modern equipment installed in the Ingallton sub-station. At Winfield, a village of several hundred inhabitants, a residence lighting system is now being installed. We have purchased the Ardmore Electric Co., a distributing company, which formerly purchased our power, distributing the current to Ardmore, Villa Park and Home Acres and adjacent territory. A contract has been made for supplying residence and street lighting in the Village of Glen Ellyn through a distribution company.

Traffic.—During the year through service was inaugurated on the Chicago Wheaton & Western Ry. to St. Charles. Our express business has shown good growth on all divisions.

Miscellaneous.—We continued to feel the effect of the coal miners' strike of 1910 during the first part of the fiscal year, and were obliged to purchase inferior coal at very high prices. The first coal from Illinois mines was received in the latter part of September 1910, and then in quantities not sufficient for our needs.

Trucks, &c.—A new line has been constructed in Elgin over Park, Hill, Ann and Liberty streets, 6,600 ft. The double track on South River St., Aurora, was extended 2,050 ft., greatly facilitating service to Fox River Park. New rail and ties have been laid on newly-paved sections in Elgin, Aurora and Batavia. Seven new passing sidings and two industrial sidings for freight traffic have been added. In Geneva and St. Charles the curves have been rebuilt to allow our Chicago cars to pass. On the Carpentersville line 3 1/2 miles of 500,000 C. M. copper feeder cable has been installed, greatly improving the voltage conditions and service on this branch. An autographic bond testing apparatus has been purchased, which gives a complete record of the condition of our rail bonds. Additional block signals are being installed.

During the past year two 500 h.p. Edge Moor boilers with Green stokers and coal bunkers have been placed in the Batavia power house, making a total boiler equipment of 7,300 h.p. The installation of the new stack and the low-pressure turbine, mentioned in last year's report, was completed last winter and has brought about improved conditions and greater economy. A 3,000 h.p. open type feed water heater has been installed to utilize the waste heat from the steam-driven auxiliaries. A turbine-driven centrifugal boiler feed pump was installed with sufficient capacity to feed all the boilers.

RESULTS FOR YEARS ENDING JUNE 30.

	1910-11.	1909-10.		1910-11.	1909-10.
Gross earnings, RR.	1,672,278	1,500,212	Other income	15,493	15,464
do light dept.	102,714	92,582	Total net income	737,137	705,660
Total gross earnings	1,774,992	1,592,794	Deduct—		
Oper. expenses, RR.	1,002,690	853,140	Interest and taxes	423,373	373,824
do light dept.	50,658	49,638	Div. on pf. stk. (6%)	186,000	186,000
Total oper. exp.	1,053,348	902,778	Div. on com. stk. (3%)	93,000	93,000
P. c. op. exp. to earns.	(59.35)	(58.74)	Total deductions	702,373	652,824
Net earnings, all depts.	721,644	690,016	Balance, surplus	34,764	52,836

BALANCE SHEET JUNE 30.

Assets—	1911.	1910.	Liabilities—	1911.	1910.
Prop., plant, &c.	12,561,026	12,508,166	Preferred stock	3,100,000	3,100,000
Construc. impt., &c.	1,493,058	1,096,863	Common stock	3,100,000	3,100,000
Elgin & Aur. Impts.			"1st & ref." bonds	2,818,000	1,977,000
under leases	14,751	15,109	First mtge. bonds	2,950,000	3,000,000
Investments	1,150		E. A. & S. Trac.		
"First & refund'g"			cons. 1st M. bds.	2,000,000	2,000,000
bonds in treas.		52,000	C.U. & W. 1st M. bds.		429,000
1st M. bds. in treas.		2,993	Salaries & wages	25,351	26,914
Sinking funds	267,294	231,506	Vouchers & accts.	184,174	152,957
Material, supplies			Notes payable	37,820	18,700
& prepaid accts.	118,072	106,611	Accr. int. & taxes	61,122	64,273
Cash on hand, &c.	90,258	93,010	Accrued dividends	69,750	69,750
Accts. & notes rec.	126,764	143,418	Outstanding tick-		
Deferred accounts	72,316	18,419	ets, &c.	10,271	8,708
			Reserves	*33,478	4,122
			Profit and loss	354,724	316,671
			Total	14,744,690	14,268,095

* Includes \$24,063 for replacements and renewals and \$9,415 for accounts receivable. V. 93, p. 1105.

Canadian Car & Foundry Co., Ltd., Montreal.

(Report for Fiscal Year ending Sept. 30 1911.)

President Nathaniel Curry, Montreal, Nov. 20 1911, wrote in substance:

Results.—The gross sales were over \$12,500,000, being a considerable increase over the previous year; however, the serious trade depression in the United States, particularly in car equipment lines, caused a reduction in our percentage of profit, as manufacturers in the United States in many cases sought business at bare manufacturing cost, or less, in order to maintain their organizations. Unfortunately a large proportion of the materials entering into car construction have to be imported into Canada, and the freight and duties payable on such materials largely offset the protection afforded by the duties on finished products.

At the close of the fiscal year the unfilled orders on our books amounted to over \$5,000,000; at this date the unfilled orders amount to approximately \$10,000,000, and, while much of this business has been taken at rock-bottom prices, it should practically ensure continuous operations at capacity for the ensuing year and a large saving in running expenses. Your directors have confidence that the financial result for the year 1910-11 will be satisfactory.

Fire.—On April 27 1911 a fire in your Amherst works destroyed the forge, machine and foundry shop. The loss was fully covered by insurance on the property and against loss of profits during rebuilding. The reconstruction has been made of a more permanent and fireproof character.

Improvements and Betterments.—The increasing general prosperity of Canada, coupled with the demands of the railways for your company's products, have led your directors to authorize extensions to the passenger car departments at Amherst and Turcot (Montreal); a new steel freight car department at the Turcot works, an addition to the steel car plant at the Dominion works and an extension to the malleable iron foundry at Amherst. These improvements are all under way. Their total cost will be approximately \$350,000. We are now building steel under-frame cars at Turcot.

Reply to Request that Common Stock Dividends be Paid Quarterly.—While your directors do not anticipate any serious reduction in the volume of the car-building business in Canada, the fact remains that if a general business depression should occur, one of the first economies to be practised by railways would be the curtailment of new equipment expenditures. Your directors are therefore of the opinion that for some time at least the company's financial position should be strengthened by the building up of strong reserve funds, and that no dividends should be declared on the common shares until the net result of each fiscal year's operations is made known and compared with a forecast of future business.

Rhodes, Curry Co., Ltd.—The general contracting operations of this subsidiary in the Maritime Provinces have shown a profit for the year and are included in the general balance sheet. Several large contracts are now under way and the outlook is encouraging. Your company owns valuable timber limits in these provinces.

Canadian Steel Foundries, Ltd.—About the first of this year it was found possible to secure the properties of the Montreal Steel Works, Ltd., and the Ontario Iron & Steel Co., Ltd., of Welland, Ont., the former being the largest producers of steel castings in Canada, the latter having both a steel foundry and a rolling mill. The Montreal Steel Works had also commenced the erection of a modern steel casting plant in Montreal in addition to their existing facilities. Your directors deemed it wise to secure these properties and the above company was formed for that purpose.

First mortgage and collateral trust 6% bonds of \$3,650,000 were accordingly issued, the principal and interest being guaranteed by your company. Of this issue the amount of \$750,000 was set aside and is held by the Montreal Trust Co. in escrow to redeem prior bonds of the Montreal Steel Works, Ltd. (V. 92, p. 1112, 797).

The whole of the issued capital stock of Canadian Steel Foundries, Ltd., is owned by your company, being \$1,400,000 of preference and \$3,000,000 of common shares. The preference was paid for in part by cash and in part by an additional issue of your preference stock.

It was found advisable to make extensive improvements at the Welland plant, and the new plant at Montreal will not be ready for operation until the spring of 1912. The company, however, made sufficient earnings to pay its bond interest and other obligations, and its directors believe that future results will be profitable. No value has been placed on your books for the common stock.

INCOME ACCOUNT.

	Yr. end. Sep. 30 '11.	11 Mo. end. Sep. 30 '10.		Yr. end. Sep. 30 '11.	11 Mo. end. Sep. 30 '10.
Profits -----	\$1,007,138	\$832,530	Common divs (4%)	\$155,000	(2) \$77,500
Deduct—					
Divs. 7% pt. stk.	\$385,000	\$320,833	Balance, surplus..	\$467,138	\$434,197

BALANCE SHEET SEPT. 30 1911.

Assets—	1911.	1910.	Liabilities—	1911.	1910.
Real est., bldgs, machin'y, good-will, &c.	10,147,297	9,921,561	Preferred stock	6,100,000	5,000,000
Invest's (at cost)	2,146,438	50,154	Common stock	3,875,000	3,500,000
Inventories (at or below cost)	2,505,609	2,465,246	1st M. 6s, due 1939	3,500,000	3,500,000
Misc. secur., &c.	53,110		Purch. money notes	400,000	500,000
Accts receivable	2,102,294	1,976,450	Bank advances	858,832	626,744
Bills receivable	40,300	17,082	Bills payable	730,413	10,097
Deposits on Gov't contracts	70,115	43,663	Acc'ts & pay-rolls		801,917
Cash	198,081	89,053	Rentals, taxes & interest accrued	90,466	82,282
Car tr. notes (less reserve for un-earned interest)	248,190	158,028	Res'v' for pt. div.	105,000	87,500
Deferred charges	199,918	31,883	Deprec'n funds	214,438	88,438
			Cont'n., &c., f'ds.	94,869	44,447
			Profit and loss	1,056,334	511,697
Total	17,025,352	14,753,121	Total	17,025,352	14,753,121

* Includes total issue of preferred and common stocks of Canadian Steel Foundries \$1,350,000 and miscellaneous \$110,438.

Note.—The company guarantees \$3,650,000 Canadian Steel Foundries bonds which are not taken into account in the above bal. sheet.—V. 93, p. 1326.

Amoskeag Manufacturing Co.

(Report for Fiscal Year ending May 31 1911.)

The Amoskeag Mfg. Co., a voluntary association, was established under a declaration of trust made at Manchester, N. H., Sept. 29 1911, and on Oct. 2 succeeded by purchase (per plan, V. 93, p. 591) to all the assets and business of the Amoskeag Mfg. Co. (a corporation).

INCOME ACCOUNT YEARS ENDING MAY 31 1911 AND 1910 AND JUNE 30 1909 AND 1908.

	—Years ending May 31—		—Years ending June 30—	
	1911.	1910.	1909.	1908.
Sales	\$21,559,339	\$20,477,130	\$16,966,991	\$16,109,124
Cost of manufacture	20,534,004	20,080,033	16,156,711	14,969,932
Net income	\$1,025,335	\$417,097	\$810,280	\$1,139,192
Guaranty, &c.	\$78,919	\$69,882	\$83,870	\$65,913
Inventory change	dec. 224,591	inc. 413,752	inc. 56,008	inc. 177,377
Dividends	(12) 691,200	(12) 691,200	(12) 691,200	(16) 921,600
Balance, surplus	\$30,625	\$69,767	\$91,218	\$329,055

GENERAL BALANCE SHEET OCT. 3 1911 (VOLUNTARY ASSOCIATION).

Assets (\$11,360,246)		Liabilities (\$11,360,246)	
Real estate & machinery	\$3,000,000	Reserve for stockholders	\$10,967,000
Inventory & stock in process	2,404,176	Notes payable	200,000
Cash & debts receivable	5,956,070	Profit and loss	71,011
		Surplus	122,235

The company manufactures gingham, ticks, denims and women's worsted dress-goods. The equipment includes 670,000 spindles, 22,200 cotton looms and 2,200 worsted looms.

The beneficial interest in the association is divided into 172,800 common shares and 115,200 preferred shares, having no par value. The preferred shares are entitled to dividends of 4½% per annum (cumulative) and payable semi-annually, and are preferred as to assets and dividends. The dividends begin on Jan. 1 1912.

The association is managed by 12 trustees, of whom 4 are elected at the annual meeting in October in each year to serve for 3 years. The present trustees are: (For 3 years)—C. W. Amory, Theophilus Parsons, F. P. Carpenter, F. C. Dumaine; (for 2 years) George von L. Meyer, Galen L. Stone, Philip Dexter, William Amory; (for 1 year) T. Jefferson Coolidge, G. A. Gardner, T. Jefferson Coolidge Jr., George Wigglesworth. The officers are: President, C. W. Amory; Treasurer, F. C. Dumaine, Ames Bldg., Court St., Boston; Secretary, H. F. Straw, Manchester, N. H. Transfer agent, Old Colony Trust Co., Boston, Mass.; Registrar, American Trust Co., Boston, Mass.

The shares are listed on the Boston Stock Exch.—V. 93, p. 941, 591.

Iron Steamboat Co. of New Jersey.

(Report for Fiscal Year ending Oct. 31 1911.)

Earnings—	1910-11.	1909-10.	1908-09.	1907-08.
Ticket sales, Coney Isl.	\$269,949	\$309,647	\$214,406	\$221,384
Fishing route			90,540	83,721
Charters	27,075	30,260	29,023	25,525
Hudson-Fulton celebr'n			25,200	
Privileges, &c.	16,852	19,888	18,181	17,709
Total	\$313,876	\$359,795	\$377,350	\$348,340
Expenses—				
Oper. gen'l repairs, &c.	\$230,992	\$253,453	\$255,030	\$206,761
Terminal charges—rents, wharfage, &c.	46,816	71,847	70,022	69,736
Taxes	1,468	2,804	3,131	2,138
Total	\$279,276	\$328,104	\$328,183	\$278,635
Net earnings	\$34,600	\$31,691	\$49,167	\$69,705
"Other income"		60,880	1,350	10,210
Total income	\$34,600	\$92,571	\$50,517	\$79,915
Deduct—				
Interest on bonds	\$24,962	\$25,000	\$25,000	\$25,000
Other interest				1,085
Dividends (5%)		15,217		
Total deductions	\$24,962	\$40,217	\$25,000	\$26,085
Balance, surplus	\$9,638	\$52,354	\$25,517	\$53,830

"Other income" in 1909-10 includes \$60,880 for 6,088 shares capital stock sold at par; in 1908-09, \$1,350 for 135 shares, and in 1907-08, \$10,210 for 1,021 shares.

GENERAL BALANCE SHEET OCTOBER 31.

Assets—	1911.	1910.	Liabilities—	1911.	1910.
Cost of property	1,000,000	1,000,000	Capital stock issued	365,230	365,230
Bright P. & N. Co. stk.	60,480	60,480	Capital stock in treas.	34,770	34,770
Bills receivable	21,913		1st M. 5% bonds	98,000	100,000
Accounts receivable	6,081		2d mtge. 4% bonds	500,000	500,000
Valley Grove	8,744	8,744	Bond redemption account	2,000	
Repair shops	5,690	5,690	Profit and loss	*116,872	128,560
Cash	35,877	31,733			
Total	1,116,872	1,128,560	Total	1,116,872	1,128,560

* After transferring \$21,325 to sinking fund account, viz.: \$500 from interest account and \$20,825 from bills receivable account.—V. 93, p. 1468.

GENERAL INVESTMENT NEWS.

RAILROADS, INCLUDING ELECTRIC ROADS.

Austin (Texas) Street Ry.—Bonds.—Par value, \$1,000; other data see V. 93, p. 1461.

Baltimore & Pennsylvania Ry.—Issue of Securities Authorized.—The Public Service Commission of Maryland on Nov. 24 authorized the company to issue \$600,000 bonds and \$300,000 under the contract to sell the same for \$498,000 to Georg R. de Montford of Paris, that amount being, according to engineers' estimates, sufficient to build the road.

All questions in relation to the remaining \$300,000 stock of the \$600,000 applied for, which is not included in the sale to M. de Montford, are reserved by the Commission for future determination. It is announced that the order is based solely on the sale to him, and if the sale should fail to be consummated, such failure shall vacate the order so far as it relates to any stock and bonds not actually delivered to him, and the company is forbidden to sell or issue any stock or bonds remaining without first conforming with all the requirements of the Public Utilities law.—V. 93, p. 1385.

Buffalo & Susquehanna RR.—Notice to Bondholders.—Gustavus Babson, 19th and California Ave., Chicago, Ill., by advertisement on another page, informs holders of the 4% bonds that they may obtain information of value to them by writing at once to him at the above address.—V. 93, p. 524, 228.

Canadian Northern Ry.—Opening of New Branch Lines.—The company, with its new time table effective on Nov. 26, improved its existing train service and operated for the first time ten new branches just opened, aggregating 611 miles in length, as follows:

Vegreville branch, 109 miles; Jackfish Lake branch, 38 m.; Big River branch, 56 m.; Blaine Lake branch, 35 m.; Thunderhill branch, 36 m.; Hudson Bay line, 87 m.; Alsask extension, 43 m.; McRorie branch (from Dellsle), 45 m.; Radville extension of Maryfield branch, 62 m.; and Gypsumville branch from Oak Point, 96 m.—V. 93, p. 1461, 1385, 1383.

Central California Ry.—Stock.—The shareholders of this Southern Pacific subsidiary will meet at 870 Market St., San Francisco, on Feb. 1 1912 to vote on increasing the auth.

capital stock from \$1,000,000 to \$5,000,000. The road extends from Niles, Cal., to Redwood City, 16.24 miles, the \$30,000 stock outstanding June 30 1911 being all owned by the Southern Pacific Co.

Chicago Joliet & St. Louis Electric Ry.—Suit.—See Joliet & Southern Traction Co.—V. 92, p. 394.

Chicago Railways.—Bonds.—The company has sold to the National City Bank of New York and Harris, Forbes & Co. enough of its consolidated "A" bonds to redeem at par on Feb. 1 1912 all of its \$4,776,000 collateral 6% notes and \$1,200,000 funding 6% notes, which are secured by deposit of \$8,433,200 "A" 5% bonds.

The \$9,334,800 "A" bonds and \$17,160,575 "B" bonds previously issued draw 4% interest until Feb. 1 1912 and 5% thereafter.—V. 93, p. 1259, 1190.

Chicago Subway Co.—Time Extended for Deposits.—The reorganization committee gives notice to the holders of the bonds and capital stock of the Chicago Subway Co. and bonds of the Illinois Tunnel Co. that the time within which securities may be deposited with the National City Bank of New York, as depository under the modified plan and agreement dated Nov. 14, has been extended to and including Dec. 4.—V. 93, p. 1386, 939.

Cleveland & Pittsburgh RR.—Permission to Increase Stock.—The Public Service Commission of Ohio on Nov. 29 granted permission to the company to issue \$1,073,950 stock to reimburse the Pennsylvania RR. for improvements made by the latter as lessee.—V. 93, p. 1461.

Columbus (O.) Interurban Terminal Co.—Additional Bonds Authorized.—The company, a subsidiary of the Ohio Electric Ry., which guarantees the bonds, on Nov. 14 applied to the Ohio Public Service Commission for permission to sell \$125,000 additional 25-year 5% bonds to complete the construction of the new station at the corner of Rich and Third streets. At last accounts \$296,000 bonds were out.—V. 92, p. 1564.

Copper River & Northwestern Ry.—Favorable Decision.—Press despatches state that Judge Lyon in the First Judicial District Court of Alaska has rendered a decision in favor of the company in the suit brought by two miners involving the ownership of Cordova Bay tide lands, which are necessary for the maintenance of the company's deep-sea terminals.

The company located its right of way along the tide lands. Later miners located claims on the uplands, under which they asserted the right to extend their boundary lines over the right of way. Long litigation ensued.

The decision gives the miners title to the upland as mineral ground, but the company gets complete title to its right of way and the miners are ordered to remove at their own cost the subway and crossings which they constructed under and over the railroad tracks.—V. 92, p. 881.

Elmira (N. Y.) Water, Light & Railroad.—Merger of Controlled Road.—The Public Service Commission, Second District, has authorized the company to merge the property, rights and franchises of the West Side RR. All of the stock of the West Side road is owned and the property leased for the term of its corporate existence.—V. 92, p. 397.

Federal Light & Traction Co., New York.—Recent News.—

(a) New 20-year franchise at Rawlins, Wyo., carrying with it contract for city lighting upon favorable terms. Establishment of day service and campaign for power business. (b) 50-year franchise at Sheridan, Wyo. (c) Contract with city of Albuquerque, N. M., for sewerage pumping, running to maturity of franchise.

Earnings of Subsidiaries, Including in 1910-11 the Trinidad Electric Transmission Ry. & Gas Co. and Springfield Ry. & Light Co.

Years ending—	June 1 1910.	Oct. 31 1911.
Gross earnings	\$727,928	\$1,540,249
Operating expenses	463,331	918,766
Net earnings	264,596	621,483

New business campaign for arc lights and for sign lighting, which alone is bringing in new revenue from \$75,000 to \$100,000 per annum. In July 1911 an entirely new system of accounting was adopted.—V. 92, p. 1499, 526.

Georgia Light, Power & Railways, Macon, &c., Ga., and New York City.—New Organization—Bonds Offered.—A. B. Leach & Co., N. Y., Chic., Phila., Boston and London, are placing at 92½ and int., yielding 5½% income, the present issue of \$2,355,000 "first lien 5% sinking fund gold bonds," dated Sept. 1 1911, due Sept. 1 1941. Prin. and int. (M. & S.) payable at office of A. B. Leach & Co., N. Y., or Bank of Scotland, London. Par \$1,000 (c*&r). Redeemable on any int. date at 105 upon 30 days' notice. New York Trust Co., N. Y., trustee. Authorized issue, \$6,500,000.

Abstract of Letter from Pres. Philip G. Gossler, New York, Nov. 23 1911.

A voluntary association formed under laws of Mass. to acquire the securities of the Macon Ry. & Lt. Co. (see p. 66 of "El. Ry. Sec."), the Macon Gas Co. (V. 93, p. 942), the Central Georgia Power Co. (V. 88, p. 1199; V. 89, p. 531), the Central Georgia Transmission Co., and for the acquisition of securities of other companies owning or operating public utilities, power plants or transmission lines in Georgia. Capitalization:

Common shares, authorized, \$8,000,000; outstanding	\$6,000,000
Pref. 6% shares (preferred principal and dividend; non-cumulative, callable at 110), auth., \$2,000,000; outstanding	100,000
First lien bonds, authorized issue \$6,500,000; present issue	2,355,000
Reserved under careful restrictions for acquisition of securities of public utilities, power plants or transmission lines in Georgia, and for extensions and improvements	\$4,145,000

These bonds will be secured by a first lien on practically all (\$900,000) of the common stock of the Macon Railway & Light Co., practically all of the \$200,000 common stock and \$300,000 pref. stock of the Macon Gas Co. and \$2,000,000 [of the \$4,000,000] stock and \$4,500,000 notes of the Central Georgia Power Co., all of which securities will be deposited with the trustee. Through ownership of the above-mentioned securities these bonds will be a first lien on the Macon Gas Co. and a lien upon the Macon Ry. & Light Co. subject to prior liens of \$1,300,000 (\$1,000,000 bonds and \$300,000 6% pref. stock) and a lien on the Central Georgia Power Co. subject to \$3,000,000 bonds. (1st M. 5s of 1908, due May 1 1928 but callable at 105 in and after 1913.—V. 88, p. 1199.)

Sinking fund for retirement of bonds, \$50,000 annually 1916 to 1920, \$75,000 annually 1921 to 1925, \$100,000 annually 1926 to 1940.

Properties.—The companies, securities of which are pledged for these bonds, operates without competition the entire electric railway, electric light and electric power and gas business in Macon, Ga., and immediate vicinity, and do, through the Central Georgia Power Co., a substantial electric power business in Forsyth and Griffin, Ga., and expect in the immediate future to deliver electric power in Atlanta, Jackson, Barnesville and Thomaston, Ga., in which there are located many large power consumers. The franchises of the Macon Railway & Light Co. and the Macon Gas Co. and the charters of the Central Georgia Power Co. and the Central

Georgia Transmission Co. extend many years beyond the life of the bonds. Both franchises and charters are liberal, with no objectionable restrictions.

The Macon Railway & Light Co. was incorporated in Georgia Oct. 23 1902 as a consolidation of all of the electric railway, electric lighting and power properties of Macon and contiguous territory. The company owns and operates 33 miles of railway track and is the only company in Macon supplying electricity for general distribution. The company owns a steam power station centrally located, with a generating capacity of 3,000 e. h. p., serves a population of 60,000 and has over 3,500 customers. It has paid regular annual dividends of 6% per annum on its cumulative pref. capital stock and paid 6% dividends on its common stock in 1910 and 1911. During the past nine years has also invested out of the earnings nearly \$400,000 for betterments, improvements, &c.

The Macon Gas Co. and its predecessor companies have been in successful operation since 1852. It controls the entire gas industry in Macon, serves a population of about 60,000, operates 50 miles of gas mains and has an annual output of 85,000,000 cubic feet.

The Central Georgia Power Co. was organized in Georgia in 1906 and owns in fee a hydro-electric plant located on the Ocmulgee River near Jackson, Ga., about midway between Macon and Atlanta, Ga. Dam of solid concrete 1,070 ft. in length, 102 ft. in height and power house of concrete and brick, 190 ft. in length, with hydraulic and electrical equipment (generating capacity 16,000 e. h. p.) and ample space for additional units to increase the capacity ultimately to 24,000 e. h. p. High-tension transmission lines extend to sub-stations at Macon, Forsyth and Griffin, Ga., the electric energy being delivered from these points to the consumers of the company. The extension of the transmission system is now under way and within a few months power will be delivered to Barnesville, Jackson and Thomaston, Ga. The company commenced operation June 1 1911.

The Central Georgia Transmission Co. was organized under the Georgia Laws in 1911 to connect with the transmission lines of the Central Georgia Power Co. with the important power market of Atlanta.

Earnings for Year ending June 30 1911 (Macon Ry. & Light Co. and Macon Gas Co.)—Estimate for Year ending Sept. 30 1912, including also Central Georgia Power Co.

	1910-11.	'11-12 (est.)	1910-11.	1911-12.
Gross earnings	\$590,143	\$929,055	Int. chge. cont. cos.	\$67,516*
Op. exp. & taxes	347,223	451,250	Int.	\$2,355,000 5s
			Ga. Lt. P. & Rys.	-----
Net	\$242,920	\$477,805		\$117,750

* Estimated. Bal., surplus, \$175,404; \$142,539. Includes interest on \$959,000 5% and \$42,500 6% bonds of Macon Ry. & Light Co., \$50,500, and on \$3,000,000 5% bonds of Central Georgia Power Co.; also dividends at 6% on \$283,600 Macon Ry. & Light Co. pref. stock, \$17,016; total, \$217,516.

Hawkinsville & Western RR.—Mortgage.—The company has filed in the office of the Clerk of the Superior Court a mortgage to the Savannah Trust Co. to secure an issue of 30-year 5% bonds to build the proposed 22-mile line from Hawkinsville to Perry.

Track, it is stated, has been laid on about 5 miles of road and work is progressing, and the portion from Grovania to Perry has been let by contract, and work is expected to commence about Jan. 1. T. B. Reagan, President of the Southern Trust Co., of Hawkinsville, Ga., is interested.

Illinois Tunnel Co.—Time for Deposits Extended.—See Chicago Subway under Railroads above.—V. 93, p. 940, 589.

Interborough-Metropolitan Co., New York.—Sale of Securities.—The money needed by the company in order to pay the assessment of \$12 90 a share on its \$42,740,000 holdings of Metropolitan Street Ry. stock called for in the reorganization plan of the latter company (see below) will be obtained through the sale of securities to Hallgarten & Co. The exact nature of the transaction has not as yet been made public, but no doubt involves the use of the securities to be obtained in return for the assessment, possibly as collateral for notes or other obligations.—V. 93, p. 666.

Joliet & Southern Traction Co.—Foreclosure Suit.—The Continental & Commercial Tr. & Savings Bank of Chicago, as trustee under the mortgage of 1907 (about \$1,211,400 outstanding), began foreclosure proceedings in the Kane County Circuit Court in Geneva, Ill., on Nov. 23. The company is a subsidiary of the Chicago Joliet & St. Louis Electric Ry.—V. 93, p. 1191.

Kansas City Railway & Light Co.—Requirements.—See Metropolitan Street Railway of Kansas City below.—V. 93, p. 1458 1386.

Louisville & Nashville RR.—Bonds Called.—Eighty-seven (\$87,000) Pensacola & Atlantic RR. 6% mortgage bonds due Aug. 1 1921 have been drawn for payment at 110 and interest on Feb. 1 at the company's office, 71 Broadway, New York. See numbers of bonds drawn in advertisement on another page.—V. 93, p. 1462, 1191.

Macon (Ga.) Railway & Light Co.—Control.—See Georgia Light, Power & Railways above.—V. 91, p. 945.

Metropolitan Crosstown RR., New York.—See provision in plan of Metropolitan St. Ry. below.—V. 89, p. 348.

Metropolitan Street Ry. of Kansas City.—Master Favors to Extent of \$8,274,840 Citeis' Demand for Improvements, &c.—Special Master Hermann Brumbach on Nov. 24 submitted to Judge W. C. Hook in the U. S. Circuit Court at Kansas City his findings as to the cost of complying with all reasonable requirements for improvements, extensions, &c., in the immediate future in and around Kansas City, Mo., and Kansas City, Kan., provided it should be determined by law that the cities has the right to enforce such requirements under existing franchises.

Findings of Master as to Cost of Extensions and Additions that May Reasonably be Required of the Company.

	Missouri.	Kansas.	Total.
Roadbed, tracks and pavement between tracks, between rails and 18 inches outside rails	\$1,938,590	\$314,796	\$2,253,386
x Track extensions and connections under ordinances already passed	751,844	590,431	1,342,275
92 additional cars and payment for 50 cars now in use	-----	-----	877,000
y To make system fully commensurate with present size and importance of two cities	2,319,177	1,483,002	3,802,179
	\$5,009,611	\$2,388,229	\$8,274,840

x Notably: (a) In Missouri—Main St. to Union Station, \$96,263; Wood and, 15th St. to Mo. Ave., \$73,537; 12th St., Jackson to Winchester, \$156,875; Chestnut or Prospect, \$151,455; Oak St., \$107,330. (b) In Kansas—Cheika Park, now building, bal. unpaid, \$49,711; 13th St., Quindaro to Central, \$208,145; 7th St., Minnesota to Pawnee, \$208,135; 18th St., Central to Kansas, \$103,845.

y Would embrace company's share for building the 23d St. traffic way, about \$100,000, and about \$200,000 for 12th St. traffic way; improvements

in connection with the new Union Station, \$500,000 to \$1,000,000; company's share in rebuilding the bridges over the Kaw River, \$480,000. Also new lines in Kansas City, Kan., viz.: Santa Fe depot in Argentine to 18th St. and Kansas Ave.; Argentine to a connection with the 7th St. line, running from Minnesota Ave. to city limits of Rosedale; from 34th St. and Strong Ave. to western limits of Argentine, &c.

The Master disallowed as unreasonable suggested extensions and additions to a total of \$1,700,000. The company, not wishing to commit itself, declined to participate in the Master's hearings.—V. 93, p. 1191, 871.

Metropolitan Street Railway, N. Y. City.—Plan of Reorganization.—A plan of reorganization dated Nov. 29 1911 has been prepared and adopted by the "Joint Committee," Guy E. Tripp, Chairman, with the co-operation and approval of the 5% and 4% committees, as follows:

"5% Committee" for General & Coll. Trust M. 5s dated 1897: Alexander J. Hemphill (Chairman), Donald Mackay, Edward H. Ladd Jr., William P. Dixon and Henry Evans, with L. B. Franklin as Secretary.

"4% Committee" for Refunding M. 4s dated 1902: Edwin S. Marston (Chairman), Edwin M. Bulkley, Robert Y. Hebben, Otto H. Kahn and Guy E. Tripp, with Frederick Geller as Secretary.

Joint committee created by the foregoing committees: Guy E. Tripp (Chairman), William P. Dixon, Otto H. Kahn, Edward H. Ladd Jr., and, ex-officio, Alexander J. Hemphill and Edwin S. Marston, with Alexander J. Hemphill as Secretary.

Depositories: Guaranty Trust Co. of N. Y. for said 5% bonds and Farmers' Loan & Trust Co. for said 4% bonds, the 5% certificates herein mentioned being the certificates of deposit of the Guaranty Trust Co., the 4% certificates those of the Farmers' Loan & Trust Co.

Notices to Security Holders, Appearing in Full in Advertising Columns.

Stockholders of the Metropolitan Street Ry. Co., stockholders of the Central Crosstown Ry. Co. and the holders of \$4,000,000 improvement notes of the Metropolitan Street Ry. Co. (held by others than the receivers of the New York City Ry. Co. and of the Metropolitan Street Ry. Co.) are notified that to participate they must by noon Dec. 23 1911 (a) deposit the stock certificates or their said notes, duly indorsed for transfer and stamped, at the Guaranty Trust Co. of New York, 28 Nassau St., N. Y. City, and (b) pay to said depository the sum of \$12 90 for each share of stock so deposited and \$129 for each \$1,000 face amount of said notes so deposited.

Holders of certificates of deposit issued by the Guaranty Trust Co. of N. Y. against deposit of General and Collateral Trust mortgage bonds under agreement of committee, Alexander J. Hemphill, Chairman, and holders of certificates of deposit issued by the Farmers' Loan & Trust Co. against deposit of refunding 100-year gold mortgage under agreement of committee, Edwin S. Marston, Chairman, are notified by their respective committees of the adoption of the plan and of the beginning of the period for dissent.

Further deposits of bonds of the aforesaid issues will be received without penalty at the depository named for each before 12 o'clock noon, Dec. 23. Deposits of 1st M. 4s of Metropolitan Crosstown RR., also of tort claims of the Met. St. Ry. Co., will also be received at the Guaranty Trust Co. before 12 o'clock noon, Dec. 23.

Chairman Guy E. Tripp of the Joint Committee says: "I believe the committees have succeeded in working out a plan which does justice to the property itself as well as to the public interests. It keeps down capitalization and fixed charges to the minimum, and at the same time gives the utmost consideration, consistent with conservatism and due regard for the lessons of the past to the bondholders."

"If the adjustment bonds pay 3% interest, which is the minimum estimate on the basis of present earnings, the securities allotted to the 5% bonds will yield immediately an income equivalent to 5% on the present bonds, and those allotted to the 4% bonds will yield immediately an income equivalent to 3 1/4% on the present bonds."

The principal changes as compared with the preliminary plan outlined in V. 91, p. 1767, are the following: (a) Reduction in the assessment from 17.67% to 12.90%, (b) change in securities to be given for the assessment from about 18% in adjustment bonds and 25% in new stock to 8.83% in new 4% bonds, 5.30% in new adjustment bonds and 30.91% in new stock. (c) An increase in the immediate issue of new 4s from \$11,768,100 to \$16,768,100 and a decrease in the new adjustment bonds from \$40,000,000 authorized and \$38,933,400 issued to \$33,000,000 authorized and \$31,933,400 issued. There is no change in the manner of treating the present company's bonds. See also Interborough-Metropolitan Co. above.—Ed.

Status of Present Company—Cash, &c., Requirements.

The Metropolitan Company owns and controls an extensive system of street railways, on which there has been expended for construction, reconstruction, extension, improvement and equipment, as the Joint Committee is advised by expert engineers and accountants, a sum in excess of \$120,000,000. Decrees of foreclosures, respectively, of the general mortgage and of the refunding mortgage have been entered by the Court. The Joint Committee contemplates the purchase of said properties at the sales thereof, subject to the terms of said respective decrees, and the organization of a new company which shall issue the new securities shown below.

(I) Outstanding Securities of System—Issued. Pledged. Held by Pub. Bonds, debentures and collateral notes (schedule A).....\$57,285,000 \$3,700,000 \$53,585,000 Stocks (schedule B).....67,900,000 5,792,000 62,108,000

Total.....\$125,185,000 \$9,492,000 \$115,693,000
x Excluding \$2,204,230 claim agst 23d St. Ry. in litigation.

Special Items—

Improvement notes made by Metropolitan St. Ry. Co. to the Metropolitan Securities Co. other than those in the possession of the receivers of the N. Y. City Ry. or Metropolitan Street Ry. Co. (without interest). [There is a possibility of a claim that there is an additional amount of \$4,000,000 of said notes outstanding, for the treatment of which power is reserved to the Joint Committee].....4,000,000 Allowances decreed by Court in favor of tort claimants, est. at.....1,875,000 Estimate of cash requirements substantially.....\$7,300,000 Accrued and defaulted interest on the following bonds and notes held by the public and interest thereon (as of Jan. 1 1912): (a) 5% bonds, \$3,085,417; (b) 4% bonds, \$3,141,477; (c) Central Crosstown notes, \$320,976; (d) Metropolitan Crosstown 1st M. bonds, \$123,325; total.....6,671,395

Grand total of public holding and special items.....\$135,539,395

* Note.—The minimum of the bids which the Court has authorized to be accepted at the foreclosure sales aggregates \$12,000,000. It is estimated that not to exceed the above estimate will in any event be required to be paid under a purchase made for the purposes of this plan. Out of this fund and the very substantial other funds in the hands of the Court which are believed to be available for that purpose, the outstanding receivers' certificates (substantially \$5,830,000), claims adjudged or which may be adjudged to be preferential, receivers' liabilities and obligations, costs, allowances and other sums ordered to be paid by the Court, will have to be met. Out of said estimated cash requirements and the funds and securities in and by the plan provided and permitted to be used for that purpose, the charges and expenses of the reorganization will be paid. The above estimated amount may be reduced as a result of adjustments, application of funds held by the Court, accruing surplus earnings and other items.

(II) Securities to Remain Undisturbed Issued. Pledged, &c. Held by Pub. Bonds (schedule A).....\$25,646,000 \$3,700,000 \$21,946,000 Stocks (schedule B).....15,300,000 5,792,000 9,508,000

Total.....\$40,946,000 \$9,492,000 \$31,454,000

* These securities described below are to be pledged under the new mortgages, or held as muniments of title, or canceled, or otherwise disposed of as the Joint Committee may direct.

(III) Securities to be Readjusted and Cash Requirements—

Bonds (Met. St. Ry. gen. 5s, \$12,500,000, and ref. 4s, \$16,604,000; Met. Crosstown 1st 5s, \$600,000, and Central Crosstown collateral notes—unpaid balance—\$1,935,000).....\$31,639,000 Stocks (Met. St. Ry., \$52,000,000; Cent. Crosst., \$600,000).....52,600,000 Special items (as above), viz.: Improvement notes, \$4,000,000; tort claimants, \$1,875,000; int. as above stated, \$6,671,395.....12,546,395 Add cash requirements, estimated.....7,300,000

Total.....\$104,085,395

Description of New Securities—Terms of Exchange.

1. Thirty-year "first real estate and refunding mortgage" 4% gold bonds, to be dated and bear interest from Jan. 1 1912 or such other date as the Joint Committee may fix, to be redeemable upon 90 days' notice, at 105 and int., on and after such date in the year 1916 as may be stated in said bonds. This mortgage may not specify a limitation as to amount of auth. issue, but the issue of further bonds is to be carefully guarded by mortgage provisions. Present issue.....\$16,768,100 Issuable as part consid. for secur. disturbed.....\$10,830,600 Issuable to tort claimants.....937,500 Issuable for cash assessments.....4,997,780 Issuable to adjust fractional lots.....2,220
2. Thirty-year adjustment mortgage 5% income gold bonds (subject to "first real estate and refunding mortgage"), to be dated and to bear int. from Jan. 1 1912 or such other date as the Joint Committee may fix, redeemable at any time, upon 90 days' notice, at par and int., in whole, but not in part. (See also "note" below.) Total limited to \$33,000,000. Present issue.....\$31,933,400 Issuable as part consid. for secur. disturbed.....\$27,058,400 Issuable to tort claimants.....1,875,000 For cash to contrib. share and note holders.....2,999,800 Issuable to adjust fractional lots.....200
3. Capital stock (or voting trust or participation certificates representing same). Present issue (\$17,495,060 being for cash assessments).....17,500,000

Note.—The holders of adjustment mortgage bonds shall have the power, by vote of a majority thereof, to elect one less than a majority of the members of board of directors until the full 5% per annum shall have been paid to the holders annually for three successive years, and again thereafter, during a like period, whenever a failure to pay such annual interest shall occur. During such periods, also, the holders of said bonds shall have full power in respect of all other questions upon which stockholders may vote, to cast one vote for each \$100 of the principal of the bonds held by him.

Terms of Exchange.

Old Bonds, &c., Dis-	Amount	New 4s.	To be Exchanged for—
turbed—	Outstanding.	Pay	Adj. Bonds. Stock.
Gen. mortgage 5s.....	\$12,500,000	50% } \$3,164,583	100% or \$12,500,000
do Int. to Jan. '12.....	3,085,417	(See "a") } 3,085,417	
Refunding 4s.....	16,604,000	25% } 1,009,523	75% or 12,453,000
do Int. to Jan. '12.....	3,141,477	(See "a") } 3,141,477	
Cent. Crosst. notes.....	1,935,000	17.5% + or 339,600	\$2 4% + or 1,595,400
Met. Crosst. 1st 5s.....	600,000	15% or 90,000	85% or 510,000
Tort claimants.....	1,875,000	50% or 937,500	100% or 1,875,000
For asses. (see below).....		4,997,780	2,999,800
For adjust fract. lots.....		2,220	200
Total.....		\$16,768,100	\$31,933,400

Old Stock, &c.—	Amount	Pay	And Receive
Metropolitan Street Ry.	\$52,000,000	Assess.	New 4s. Adj. Bonds. Stock.
Improvem't notes (prin).....	4,000,000	\$7,301,400	8.83% 5.30% 30.91%
Central Crosstown stock.....	600,000	or 12.90%	

* The amounts of new 4% bonds to be given on account of both principal and overdue interest, if taken together for each issue of old Met. St. Ry. bonds, are equal in the case of the gen. 5s to an allowance of 50% on the principal of that issue and in the case of the ref. 4s to an allowance of 25% on the principal of the ref. issue. The gen. 5% bonds also receive 100% in adjustment bonds and the ref. 4s 75% in the same issue, making the total amount given in exchange (a) for the gen. 5s, 150%, and (b) for the ref. 4s, par, in the two classes of new bonds. Central Crosstown notes (see provision below) get 100% in new 4s and adjustment bonds combined.

Comparison Between Present and Proposed Capitalization.

Securities, &c., to be readjusted (see III. above).....\$104,085,395 Metropolitan improvement notes which the committee expects will not participate in the reorganization.....\$4,000,000

Total.....\$108,085,395
New securities provided in lieu thereof.....66,201,500

Reduction, on basis of foregoing securities.....\$41,883,895 Outstanding securities, less securities to be acquired at foreclos.....\$115,693,000 Special items as above (article I.).....19,846,395 Metropolitan improvement notes not expected to participate.....\$4,000,000

Total.....\$139,539,395
Undisturbed and new securities aggregate.....97,655,500

Reduction, on basis of entire outstanding capitalization.....\$41,883,895
x These are additional to the \$4,000,000 of such notes definitely included in plan. See parenthesis under "Special Items" in Table I above.

The joint committee or the new company, at such times and on such terms and conditions as it may prescribe, may receive conveyances satisfactory to it of the franchises and property of the Central Crosstown RR. Co., including its lease of the Christopher & Tenth Street RR. Co., free and clear of all lien and incumbrance on said franchises and property of said Central Crosstown RR. Co., excepting the \$250,000 extended 1st M. bonds of the Central Crosstown RR. Co., and cause to be issued in return therefor the securities above described or, in the discretion of the joint committee, in lieu of such conveyances, the joint committee may accept assignments of not less than 95% of the collateral notes of the Central Crosstown RR. Co. now outstanding in proportional exchange for the securities described in the foregoing table. The joint committee or the new company may also, on such public notice and at such times as it may prescribe, receive 1st M. bonds of the Metropolitan Crosstown RR. Co., with all coupons maturing after Oct. 1 1908 attached unanceled, and cause to be issued therefor the securities above described.

This plan shall become effective and binding upon the holders of 5% certificates for bonds held by the 5% committee and the 4% certificates for bonds held by the 4% committee either when and if: (1) Notice of adoption of this plan by the 5% committee is published in accordance with the bondholders' agreement of March 5 1908 and within 30 days from the first publication of such notice holders of outstanding certificates of deposit representing one-third in face amount of the deposited 5% bonds shall not file notices of dissent in accordance with said agreement; and (2) notice of filing of this plan by the 4% committee is published in accordance with the bondholders' agreement of Nov. 25 1907 and within 30 days after the last publication of such notice holders of certificates of deposit representing one-third in face amount of the deposited 4% bonds shall not file notices of dissent from this plan in accordance with said agreement.

Schedule A—Total Funded Obligations, \$57,285,000.

[These obligations are precisely those shown in table on p. 80 of the "El. Ry. Sec." except that the plan takes no account of the \$500,000 1st M. 4s of Fulton St. RR. (road abandoned, V. 90, p. 1675).]

(a) Outstanding Obligations that Remain Undisturbed, Total \$21,946,000.
Lex. Av. & P. F. 1st M. 5s, '93.....\$5,000,000 23d St. 1st M. 6s, due 1909.....\$50,000 Col. & 9th Av. 1st M. 5s, '93.....3,000,000 Bleecker St. & F. F. M. 4s, '50.....700,000 So. Ferry RR. 1st M. 5s, '19.....350,000 42d St. & G. St. F. 1st M. 6s, due '09.....\$36,000 Broadway Surf. 1st M. 5s.....1,500,000 8th Ave. 6% scrip, 1914.....750,000 34th St. Crosst. 1st M. 5s.....1,000,000 Chris. & 10th St. 4s, 1918.....210,000 Broadway & 7th Av. 2d 5s, '14.....500,000 Cent. Crosst. 1st M. 6s, 1922.....250,000 do do 1st consol. 5s, 1943.....7,650,000 Real estate mortgage.....950,000

(b) Bonds and Notes to be Readjusted, Aggregating \$31,639,000.
Met. Crosst. 1st M. 5s.....\$600,000 Met. St. Ry. gen. 5s.....\$12,500,000 Cent. Crosst. RR. 5s, due '09.....1,935,000 do do ref. M. 4s.....16,604,000

(c) Pledged Bonds, \$3,700,000, to be Acquired under Foreclosure Sale.

[All held under the present refunding mortgage.]
Met. Crosst. 5s, due 1901.....\$300,000 42d St. & G. St. F. 1st 6s, due '09.....\$200,000 Bwy. Surf. 2d M. 5s, due 1905.....1,000,000 23d St. Ry. 1st M. 6s, due 1909.....200,000 Real estate mortgages.....350,000 do do debent 5s, due 1906.....150,000 Bwy. & 7th Av. 1st M. 5s, due '04.....1,500,000

Schedule B—Total Stocks Issued, \$67,900,000.

(aa) Outstanding Stocks to Remain Undisturbed, \$9,508,000.			
Broadway & 7th Av. RR.	\$700,000	42d St. & Gr St. Ry. RR.	\$348,000
6th Ave. RR.	2,000,000	8th Ave. RR.	1,000,000
9th Ave. RR.	800,000	N. Y. & Harlem RR. (city line)	2,500,000
23d St. Ry.	600,000	Christopher & 10th St. RR.	650,000
Bleecker St. & Fult. Ry. RR.	900,000	34th St. Crosstown RR.	10,000
(bb) Stocks to be Readjusted, Aggregating \$52,600,000.			
Metropolitan Street Ry.	\$52,000,000	Central Crosstown RR.	\$600,000
(cc) Additional \$5,792,000 Stock to be Acquired under Foreclosure Sale.			
Pledged under Gen. Mgt.—		Pledged under Ref. Mgt.—	
Broadway & 7th Ave. RR.	\$1,400,000	Fort George & 11th Ave. RR.	\$3,000,000
42d St. & Grand St. Ferry RR.	400,000	145th Street Ry.	2,000
34th St. Crosstown Ry.	990,000		

z Note additional amount under "c." y Note additional amount under "cc."
 * Proportion of entire stock allotted (for purposes of this plan) to said city line.

Transfers Ordered.—The Public Service Commission on Nov. 29 ordered the restoration of the general transfer system on the surface roads of Manhattan Borough, beginning Jan. 1. The order affects 151 junction points. The companies, it is expected, will apply to the courts to restrain the enforcement of the order, which, it is stated, would mean a yearly loss of some hundreds of thousands of dollars.—V. 93, p. 1463, 1387.

Mississippi Valley Interurban Ry.—Operation of Line Discontinued.—Owing to the non-payment of a bill of \$4,000 for power due to the Springfield Light, Heat & Power Co. by the Springfield Clear Lake & Rochester Interurban Ry., a controlled company, operation of the latter's line was discontinued on the evening of Nov. 18. Reorganization, it is stated, is proposed.

Missouri Pacific Ry.—Merger Sustained.—The Supreme Court of Missouri on Nov. 2 denied the application of the Attorney-General to dissolve the alleged illegal merger of the company with some of its controlled companies. Compare V. 84, p. 159.

All of the judges concurred except Judge Kennish, who did not sit in the case because he had been of counsel. The defendants, besides the Missouri Pacific, were the Richhill Coal Mining Co., Kansas-Missouri Elevator Co. and the Western Coal & Mining Co.

It was claimed on behalf of the State that the railroad company owned a majority of the stock in each of the other companies and that as a result of such ownership they had ceased to be operated for the purpose for which they were chartered. The railroad company admitted the ownership of the stock, but contended that such ownership was necessary in the conduct of their business. The Court holds that the Constitution does not prohibit one corporation from owning stock in another organized to carry on its own affairs.—V. 93, p. 1456, 1260.

Muscatine North & South Ry.—Offering of Syndicate Notes.—The Continental & Commercial Trust & Savings Bank, Chicago, (trustee for the note issue) is placing at par and int. \$425,000 collateral trust 6% gold notes of the Muscatine North & South Syndicate. A circular says:

Notes.—Dated Oct. 1 1911 and due Oct. 1 1914, but callable at 101 and int. before Oct. 1 1913 and at par and int. thereafter. Total amount authorized and outstanding, \$425,000. Par \$1,000. Int. A. & O. at office of trustee. This issue is substantially a closed first mortgage on the entire property of the railway company by reason of the deposit of the railway company's total outstanding bond issue of \$800,000 and all its capital stock of \$450,000 except shares to qualify directors. If the \$200,000 additional bonds which are authorized are ever issued, they must also be deposited as collateral under this mortgage. This loan is made to the Muscatine North & South Syndicate as owner of the deposited collateral.

Railway.—The road is in successful operation from Muscatine to Kingston, Iowa, 41 miles, and will be completed into Burlington and trains operated over the entire 55 miles in Jan. 1912; \$273,000 from the proceeds of this new issue will be set aside for the completion of the road from Kingston to Burlington and the purchase of terminal facilities in Burlington now under option. C. W. Humphrey values the physical property when completed at \$948,395, or an average of \$17,900 per mile, against which this note issue (\$425,000) will be the only outstanding indebtedness, being only \$8,000 per mile, including terminals and equipment.

The company will own its own private right-of-way for the entire distance between Muscatine and Burlington, except about six-tenths of a mile, which will be operated under a trackage agreement with the Chicago Rock Island & Pacific Ry. Co.; another 4 miles of road will be operated under a favorable trackage agreement with the Iowa Central Ry., a parallel right-of-way on which to build being owned by this company. The railway connects with the Rock Island and C. B. & Q. RR. at Burlington, and at Muscatine with the Ch. Mil. & St. Paul Ry.; the road is crossed near its centre by the Iowa Central Ry., affording the latter entry into both Burlington and Muscatine.

The railway runs through a fertile section along the Mississippi River, without competition for local business for the greater part of its mileage. Most of this territory is rich bottom lands, protected by a levee built and maintained by the U. S. Govt. There are seven large drainage districts contained therein, four of which have recently been completed, and it is expected that the entire area of approximately 150,000 acres will be under cultivation in another year. As this land is exceptionally productive and crops are unusually heavy, the local business will be correspondingly large.

Earnings.—The present earnings of the road are no criterion of what it should do on completion, as it has been operated during the process of construction and only connected at one end. Gross earnings for 1910, however, under those unfavorable conditions, were about \$70,000. Mr. Humphrey estimates the earnings of the first year of operation of the completed road as follows: Gross revenue, \$210,000; net earnings, after taxes, \$70,000; interest on notes, \$25,500; balance, surplus, \$44,500.

The road at first will be operated only by steam, but it is eventually expected to also give gasoline motor car service at frequent intervals between Muscatine and Burlington, connecting with the Tri-Cities Electric Ry., which is now under construction between Davenport and Muscatine.

Managers of Syndicate.—F. H. Griggs, Davenport, Iowa, of wide experience in railroad matters and for 15 years a director of Ch. R. I. & Pac. Ry.; G. H. Boynton, for many years a civil engineer with the Ch. R. I. & Pac. Ry., and his associate in the construction business, A. F. Cutler; S. S. Brown, St. Joseph, Mo., Pres. St. Joseph Union Terminal Ry.—V. 93, p. 796, 589.

New York New Haven & Hartford RR.—Resignation.—General Manager Samuel Higgins, who has been on leave of absence, has resigned to take effect on Dec. 31.

H. J. Horn, now Secretary to President Mellen, has been appointed a Vice-President in charge of its operating department, effective Jan. 1.—V. 93, p. 1191, 866.

Norfolk Southern RR.—Report.—See "Annual Reports."

Bonds Offered.—Harris, Forbes & Co. and Redmond & Co., New York, are offering at 101 and int., by advertisement on another page, \$5,762,000 "first and refunding mortgage" 50-year 5% gold bonds, series A, dated Feb. 1 1911 and due Feb. 1 1961, but redeemable (as to series A at 105 and int.) as an entire issue on or after Feb. 1 1915 or for the sinking fund on any interest date upon six weeks' notice. Denominations \$500, \$1,000 and multiples thereof (c*&r*). Central Trust Co., New York, trustee. The bankers offering the bonds have had the property examined by their experts.

Digest of Letter from President E. T. Lamb, Norfolk, Va., Nov. 23 1911. Incorporated May 1910 as successor to the Norfolk & Southern Ry. Co. and with branches operates a total of 607.70 miles, extending from Norfolk, Va., to important terminal points in North Carolina. Of the total mileage operated the company owns 508.3 miles and leases 95 miles (from Goldsboro to Morehead City) and has trackage rights on 4.67 miles.

Capitalization.

Capital stock (dividends of 2% are being paid thereon) \$16,000,000
 "First and ref." bonds issued and outstanding (incl. present issue) 5,837,000
 Reserved to retire equal amount of divisional bonds secured on only a part of the property (closed mortgage) 3,130,000
 In escrow with Central Trust Co. (closed mortgage) \$2,263,000
 Reserved for improvements, additions, extensions, &c., to be issued under conservative restrictions, \$13,770,000
 The amount of "first and refunding mortgage bonds" now authorized is \$25,000,000, divided as above shown, but an additional \$10,000,000 bonds can be issued upon the approval of three-fourths of the directors and a majority of the stockholders.

These bonds cover the entire property, including leaseholds, terminals, equipment, &c., at the rate of less than \$11,500 per mile on over 508 miles of road, being a first mortgage on 215.11 miles, and subject to underlying liens averaging less than \$10,720 per mile on 292.92 miles. They will also be a first lien on practically the entire equipment valued at \$2,309,973. The company's total bonded debt is less than \$17,700 per mile of main line mileage owned. These bonds are also secured by a first lien through the deposit of \$5,000,000 bonds (entire issue) and \$1,000,000 stock, except directors' shares, on the entire property of the John L. Roper Lumber Co.

Earnings for the Year ending June 30 1911 Showing Net Income Nearly 2 1/2 Times Bond Interest.

Gross earnings	\$2,955,671	Other income, including	
Net (after taxes and		Roper Lumber Co.	\$145,115
rents)	956,796	Total net income	\$1,101,911
Annual interest charges on all outstanding bonds, incl. present issue	448,350		

Surplus \$653,561
 Gross Earnings for Seven Years (Increase for 4 Mos. ended Oct. 31 '11 over 12%)

1905.	1906.	1907.	1908.	1909.	1910.	1911.
\$1,002,158	\$1,148,922	\$1,924,265	\$2,182,972	\$2,417,319	\$2,690,469	\$2,955,670

Property, &c.—The company operates (1) a standard-gauge steam railroad extending from Norfolk, Va., to Goldsboro, Raleigh, Elizabeth City, New Bern, Beaufort, &c., in Southeastern North Carolina; (2) a modern electrically equipped road extending from Norfolk, Va., to Cape Henry and Virginia Beach, which does an increasing freight and passenger business. The company's terminals in Norfolk afford the Virginian Ry. its only entrance into that city. The territory served, in addition to containing an immense amount of standing timber, is one of the best truck farming territories in the United States. Early spring vegetables and fruits are shipped over the road in large quantities. At Norfolk the company connects with steamship lines which furnish practically a daily service to Richmond, Washington, Baltimore, Philadelphia, New York and Boston, and with foreign lines to London, Liverpool, Glasgow, Antwerp, Amsterdam, Rotterdam and Hamburg. This unusual water service at low rates has resulted in a rapid development of truck farming in Virginia and North Carolina. At Norfolk also has connection with the Penn. RR. system, furnishing a fast freight and passenger service to the North. The company's passenger business is rapidly increasing.

The John L. Roper Lumber Co., controlled as above stated, owns in fee approximately 600,000 acres of timber land and the timber rights on 200,000 additional acres. This timber land extends a distance of 200 miles, traversed by the Norfolk Southern RR., and has been estimated to contain approximately 3,000,000,000 ft. of excellent standing timber, which is practically keeping growth with the annual cut. The lumber company also owns ten large modern planing, saw, shingle and cedar mills, with an annual capacity of 150,000,000 ft., board measure, and about 150 miles of standard-gauge logging road, 300 logging cars, 25 locomotives, &c. The value of the property of the lumber company is estimated at \$10,000,000, or more than the entire bonded debt of the railroad.

The actual cash which has been expended by its owners in the acquisition and development of the road and subsidiary companies is approximately \$21,000,000, or more than 2 1/2 times the entire outstanding bonded debt, which sum will be largely increased through the expenditure of part of the proceeds from the sale of the "first and ref." M. 5s.

Sinking Fund.—The mortgage provides that should the company at any time pay over to the trustee an amount equivalent to at least \$5,000,000, it can withdraw from under the mortgage the lumber company's securities. The mortgage also provides for a sinking fund of at least \$100,000 a year as long as any of the lumber company's bonds are pledged thereunder. All moneys of the sinking fund, including the amount received upon any sale of the lumber company bonds and shares, or upon the redemption of any of said bonds, shall be used as to at least one-half thereof for the purchase or redemption of bonds of this issue, and the balance, if any, for the construction or acquisition of new lines, equipment, betterments and improvements. See V. 93, 1463, 1387.

Norfolk & Western Ry.—Conversion of Bonds.—The conversions of 4% convertible bonds into common stock owing to the increase in the dividend rate from 5 to 6% have, as expected, been very large. The outstanding convertible bonds and common stock (\$17,131,000 and \$74,438,000 respectively on Oct. 27) were yesterday shown on the New York Stock Exchange sheet as \$13,672,000 and \$77,797,000, respectively. These figures presumably do not include late exchanges, amounting, it is reported, to about \$2,000,000. Compare V. 93, p. 1324. The original amount of the convertible bond issue was \$25,509,000.—V. 93, p. 1324, 1191.

Northern Ohio Traction & Light Co.—Extra Dividend.—An extra dividend of 1/4 of 1%, along with the regular quarterly dividend of 3/4 of 1%, has been declared on the \$9,000,000 common stock, both payable Dec. 15 to holders of record Nov. 30, comparing with 3/4 of 1% without any extra dividend from Dec. 1910 to Sept. 1911 inclusive. It is stated that the stock will be placed on a regular 4% basis beginning next year, the earnings for the year 1911 being estimated to amount to approximately 7% on the com. stock.

Common Dividend Record (Per Cent).

1906.	1907.	1908.	1909.	1910.	1911.
1 1/2	2	1 1/2	1 3/4	2 1/4	3 1/4 incl. 1/4 extra

Decision.—The Circuit Court, Eighth District, on Oct. 27 reversed the decisions of the Probate Court at Akron, O., and the Common Pleas Court, which dismissed the petition of the Cuyahoga River Power Co. to condemn for its purposes the site chosen for the new power plant. See V. 92, p. 1109.

The lower courts, it is stated, erroneously held that the description was not "specific" under the statute. The case is remanded to the Probate Court for further proceedings.—V. 93, p. 1109, 956.

Oakland Railways.—Projected Electric Railways.—The company's new auxiliaries, the Sacramento Short Line and the San Jose Short Line, filed their certificates of incorporation in Alameda County, Cal., on Oct. 4, authorized issues of capital stock being \$10,000,000 and \$8,000,000 respectively, in shares of \$100 each.

The estimated length of the line to Sacramento is 90 miles, while that of the one to San Jose is 50 miles. Directors: B. M. Alkens, R. P. Henshaw, Luther Elkins, George W. Mordecai, N. N. Schmulowitz, R. V. Whiting and F. L. Stewart.—V. 93, p. 871.

Ohio Electric Ry.—Additional Bonds of Subsidiary.—See Columbus Interurban Terminal Co. above.—V. 93, p. 230.

Oregon Electric Ry.—Earnings.—Perry, Coffin & Burr of Boston, who offer a block of the 1st M. 5s, report:

Year Ending—	Gross Earnings.	Exp. & Taxes.	Net Earnings.	Annual Bond Int.	Balance, Surplus.
Sept. 30 1911.....	\$651,069	\$373,271	\$277,798	\$100,000	\$177,798
Dec. 31 1910.....	406,039	236,118	169,921		

There is outstanding \$400,000 6% pref. stock, \$1,950,000 common stock and \$2,000,000 first mtge. 5s.—V. 92, p. 1311.

Pensacola Electric Co.—Earnings.—

Year Ending—	Gross Earnings.	Exp. & Taxes.	Net Earnings.	Annual Bond Int.	Balance, Surplus.
Sept. 30 1911.....	\$286,029	\$177,419	\$108,610	\$42,150	\$66,460
Oct. 31 1910.....	264,701	164,907	99,794	40,245	59,549

—V. 91, p. 1769.

Peoria (Ill.) Ry.—Favorable Decision.—The Illinois State Supreme Court on Oct. 26, reversing the Lower Court, held in the case of the Peoria Ry. Co., appellant, against the Peoria Railway Terminal Co., appellee, that City Councils cannot grant a franchise to a street railway company over streets to which another company already holds a franchise.

The City Council granted a franchise to the Peoria Terminal Ry. to straddle the tracks of the Peoria Ry. The latter secured a temporary injunction in the Circuit Court of Peoria County restraining the Terminal Co. from constructing its tracks on its right of way. The injunction was dissolved by the Circuit Court on the final hearing, and the Peoria Ry. appealed the case to the Supreme Court. The Lower Court held that the City Council had complete control of the streets of the city. The Supreme Court holds that the City Council has no power to grant the second franchise because it would be a confiscation of the earlier one, and reverses the case and orders the Lower Court to issue the injunction.—V. 92, p. 1500.

Peoria Railway Terminal Co.—Decision.—See Peoria Ry. above.—V. 91, p. 215.

Raleigh & Southport Ry.—Change in Control.—As stated last week under caption of Norfolk Southern RR. (page 1463), this road, which was promoted and financed by F. J. Lisman & Co. of this city, has been sold to the Norfolk Southern RR. It runs from Raleigh, N. C., to Fayetteville, 64 miles, and has under construction a branch from Lillington to Sanford, about 25 miles.—V. 93, p. 1463, 408.

Rapid Transit in New York City.—Decision Affirmed.—The Appellate Division of the Supreme Court on Dec. 1 affirmed the decision of Justice Ford on Aug. 16 last, who denied the application of the Admiralty Realty Co. as a taxpayer for an injunction (1) restraining the Bradley Contracting Co. from continuing work on the new Lexington Ave. (Manhattan) subway and (2) from entering into the arrangement recently made with the Brooklyn Rapid Transit Co. looking towards the operation of the proposed system of subways.—V. 93, p. 1463, 731.

St. Louis & San Francisco RR.—Bonds Offered.—Speyer & Co., New York, are placing at 89 and int., yielding 6½% income, \$2,553,000 general lien 15-20-yr. 5% gold bonds, dated May 1 1907. Auth. issue \$109,850,400; outstanding Oct. 31 1911, including those now offered, \$61,745,730. Bonds of this issue are listed on the Stock Exchanges of New York, London, Paris, Amsterdam, Frankfurt and Berlin.

Data from Letter of Vice-Pres. C. W. Hillard, New York, Nov. 23 1911.

These bonds are secured by a mtge. and supplement thereto covering all the company's property as described in the mtge. and any property hereafter acquired with the proceeds of general lien bonds.

Purposes for Which the \$61,745,730 General Lien Bonds Outstanding Oct. 31 1911 Were Issued.

Reimbursement of capital expenditures.....	\$10,000,000
Refunding bonds and notes.....	33,279,900
For use in refunding underlying securities.....	5,000,000
Acquisition of equipment notes at par.....	6,448,402
Acquisition of equipment notes at 60% (remain. 40% from inc.).....	2,017,428
Additions and improvements.....	5,000,000

Road Covered by General Lien Bonds (Miles).

Now a first lien, subject only to \$489,125 existing bonds, to retire which gen. lien bonds are reserved.....1,072.97

On or before Oct. 1 1913 will be a first lien, subject only to \$100,000 existing bonds, to retire which gen. lien bonds are reserved, on.....143.90

(1) First lien after Oct. 1 1913 (subject to \$589,125 prior bonds).....1,216.87

Also a lien, subject to \$85,000,000 refunding and underlying bonds, on additional.....2,631.42

Further a lien on the stock of and leasehold interest of the company in the Kansas City Ft. Scott & Memphis Ry. and the Kansas City Memphis & Birmingham Ry.....1,205.11

Lien on trackage rights.....173.97

(2) Total of all mileage covered as above.....5,227.37

As of June 30 1911 the total mortgage debt (including "general lien" bonds outstanding) of the lines pledged under the "general lien mtge." including trackage rights, amounted to \$38,724 per mile. The "general lien mtge." is also a lien (subject to prior liens) upon the company's equipment and valuable terminals at St. Louis, Kansas City, Memphis and Birmingham, and extensive shops at Springfield, Mo. (See map on page 115 of "Ry. & Indus." Sec. and annual report in "Chronicle," V. 93, p. 1455.)—V. 93, p. 1472, 1464.

San Francisco Napa & Calistoga Ry.—Reorganized Company.—This company was incorporated in California on Nov. 10 with \$2,000,000 stock in \$100 shares as successor of the San Francisco Vallejo & Napa Valley RR. Co., foreclosed (V. 93, p. 1325). The directors are San Francisco and Oakland men, including T. V. Maxwell, G. C. Earl, W. H. Spaulding, Alfred Sutro and C. C. Sullivan. Bonds, it is said, were issued in connection with the purchase of the property.

Bonds Offered.—E. H. Rollins & Sons, Boston, N. Y., Chicago, San Francisco and Philadelphia, are placing at 102 and int., to net nearly 5.85%, \$600,000 1st M. 6% gold bonds. An advertisement says:

Dated Nov. 20 1911. Due Dec. 1 1936. Callable at 105 and int. on any interest date. Par \$1,000, \$500 and \$100 (c*). Interest J. & D. at Mercantile Trust Co. of San Fr., trustee, or at office of E. H. Rollins & Sons, N. Y.

Has acquired all of the property of the San Fr. Vallejo & Napa Valley RR. and the Vallejo Benicia & Napa Valley RR., which consists of a single-phase electric railway operating 33.39 miles of main line track between St. Helena in Napa County and Vallejo in Solano County, Cal. Connects at Vallejo with the Monticello Steamship Co.'s steamers for San Francisco. Proceeds of the sale of \$150,000 of these \$600,000 bonds will be used to construct a 7½-mile extension of the present line from St. Helena to Calistoga.

The total length of track operated is 35.71 miles, of which 21 miles is located on private right-of-way owned in fee, 12.39 miles on city streets or public highways, and 2.32 miles are sidings; also owns 37 acres of land, including water-front in Vallejo. Has a favorable 20-year traffic agreement with the

Monticello SS. Co., providing for a daily schedule of at least six round trips between Vallejo and San Francisco. Hydro-electric power is purchased from the Pacific Gas & Electric Co. under a favorable 10-year contract, running to July 1914, with privilege of extension for a further period of 10 years at the option of the railway.

The franchises for handling both freight and passengers, run with no burdensome restrictions, to 1952 or later. The Napa Valley has been long famous as a wine and fruit-producing section and for large country estates, many of which are now being cut up into small farms. Population of the important towns in the territory served, exclusive of San Francisco, has increased from 14,273 in 1900 to 19,485 in 1910; increase about 37%.

Capitalization.—Authorized. Issued. Capital stock.....\$2,000,000 \$2,000,000 First mortgage 6% bonds (this issue).....1,000,000 600,000 Non-foreclosable unsecured 5% debentures.....610,000 610,000

The remaining \$400,000 1st M. bonds may only be issued up to 75% of the cost of further additions and extensions when the net earnings for the preceding year shall have been twice the interest charge, including all bonds then proposed to be issued.

Earnings Years ending Dec. 31 1908 and 1909 and Sept. 30 1910 and 1911, and Estimate including Calistoga Extension.

Annual accumulative sinking fund, beginning in 1914, a sum equal to 1% of the par value of the then outstanding bonds. Denominations of bonds, \$1,000, \$500, \$100.

	1908.	1909.	1909-10.	1910-11.	With Exten.
Gross earnings.....	\$137,718	\$150,322	\$167,694	\$175,509	est\$205,509
Net earnings.....	46,683	57,387	67,275	71,395	est\$75,509

Annual interest charge on \$600,000 6% bonds is \$36,000.

San Francisco Vallejo & Napa Valley RR.—Successor.—See San Francisco Napa & Calistoga Ry. above.—V. 93, p. 1325, 941.

Southern Ry.—Decision as to Safety Appliance Act.—The U. S. Supreme Court on Oct. 30 unanimously held that the Government may recover penalties for failure of a railroad company to equip cars engaged in intra-State (as well as inter-State) commerce with automatic couplers and other appliances required by the safety appliance Act of Mch. 1903.

The case arose in the U. S. District Court for the Northern District of Alabama. The company defended the suit on the ground that 3 of the cars were engaged in intra-State traffic and were not connected with cars in inter-State traffic. The issue was raised, therefore, as to the power of Congress to require the use of automatic couplers or other safety appliances on "highways of commerce" used in inter-State commerce.

The Court holds that Congress has power to require safety appliances on roads engaged in inter-State commerce regardless of whether the traffic is intra-State or inter-State, saying: "And this is so not because Congress possesses any power to regulate intra-State commerce as such, but because its power to regulate inter-State commerce is plenary and may be exerted to secure the safety of the persons and property transported therein and of those who are employed in such transportation, no matter what may be the course of the dangers which threaten it."—V. 93, p. 1037, 1015, 872.

Southern Pacific Co.—Subsidiary to Increase Stock.—See Central California Ry. above.—V. 93, p. 872, 797.

Springfield (O.) & Washington Ry.—Application to Issue Securities.—The company on Nov. 13 applied to the Public Service Commission for permission to issue \$200,000 stock and \$300,000 bonds to extend its line from South Charleston to Washington C. H., and to refund outstanding bonds. The road is in operation from Springfield to Charleston; length of track, 15 miles.—V. 86, p. 1531.

Texas & Pacific Ry.—Favorable Decision.—The U. S. Supreme Court on Oct. 30, without writing an opinion, affirmed the decision of the Circuit Court at New Orleans in the case of the Mercantile Trust Co. and Edward Gannon against the company and others, holding unconstitutional the so-called Sanders amendment to the Constitution of Louisiana, adopted by vote of the people April 21 1908, which provided that if any foreign or non-resident corporation should sue in the U. S. courts or seek to remove any suit from the State courts to the Federal courts, that company should lose the right to do business in the State.

The amendment provided that it was not intended to apply to any inter-State business authorized under the laws and Constitution of the U. S., but this fact was not considered by the Court.—V. 92, p. 1501.

Texas Traction Co.—Earnings.—

Year Ending—	Gross Earnings.	Exp. & Taxes.	Net Earnings.	Annual Bond Int.	Balance, Surplus.
Sept. 30 1911.....	\$538,861	\$331,377	\$207,484	\$118,889	\$88,585
Dec. 31 1910.....	403,047	249,905	153,142	100,000	53,142

—V. 93, p. 1192.

Third Avenue RR., New York.—Facts as to Capitalization and Valuation.—James N. Wallace, Chairman of the bondholders' committee, in view of erroneous statements which have been published in connection with the recent Court of Appeals decision (V. 93, p. 1464), gives in an advertisement on another page for the information of security holders the following facts:

The existing capitalization of the old company to be readjusted in the reorganization and the actual investment in the enterprise are as follows: (1) Capital stock issued at par for cash, \$15,995,800; (2) consolidated 4s M. bonds issued for fully 99% of face value in 1900-03 in connection with electrification of road and subsidiary lines, &c., \$37,560,000; (3) receiver's certificates issued at par, \$2,500,000; total, \$56,055,800.

In addition to the above, most of the net earnings since the appointment of the receiver in Jan. 1908 have been expended on the property, and its condition and operating efficiency to-day are better than they ever have been.

To the above actual investment of \$56,055,800 should be added: (1) Accrued interest on consolidated bonds to Jan. 1 1910 as adjudged by U. S. Court, \$4,324,680; (2) new cash to be contributed by stockholders (after deducting receiver's certificates), \$4,700,000; total, \$65,080,480.

Total Investment and New Capitalization.

Capitalization—	New Co.	Old Co.
Capital stock.....	\$16,590,000	\$15,995,800
4% bonds.....	15,790,000	37,560,000
New adjustment income bonds.....	22,536,000	
Receiver's certificates.....		2,500,000

Total.....\$54,916,000 \$56,055,800

Add to above investment accrued int. (\$4,324,680) on consols; also new cash (\$4,700,000).....9,024,680

Total investment represented by the new securities.....\$65,080,480

The dividends on the stock since 1864 have averaged only 5.2%, and during the past 20 years less than 2%. Most of the capital (\$8,995,800) has been contributed in cash since 1895, and the dividends thereon from 1895 to 1907 averaged 3.18%, and have been nothing since 1907. The consolidated bondholders have received no interest since the July 1 1907 coupon.

The capital expenditures made by the company, as shown by its unimpeached books of account and sworn reports, including expenditures by the receiver and current assets and cash in his hands Feb. 28 1910, were proved to have been \$68,954 593, or more than \$9,000,000 in excess of the proposed

new capitalization and said outstanding 1st M. bonds. To the figures of Feb. 28 1910 should be added accumulated net earnings for nearly 2 years. The cost of reproducing or duplicating the properties of the system was shown by competent evidence to be over \$58,000,000, without any allowance for the value of the franchises (which could not be now duplicated on as favorable terms) or of the property as a completed system and going concern.

The uncontradicted proof in the proceedings before the Commission showed that the actual depreciation did not exceed \$2,500,000 (the greater part of which has already been made up by the receiver), but the Commission allowed for theoretical depreciation the sum of \$11,807,691.

The net earnings of the system since July 1 1908, after deducting interest on underlying securities and taxes, as shown by the receiver's reports filed with the Commission for years ending June 30, were: 1908-09, \$1,353,928; 1909-10, \$1,871,385; 1910-11, \$2,123,670. (Compare annual report, V. 93, p. 1319.—Ed.) The receiver states that the net earnings since July 1 1911 show an increase over the corresponding period of last year of \$170,000, or an average of \$35,000 per month. He estimates that the increase during the present fiscal year at the present rate will be equal to about \$400,000, as against the estimate in his testimony of \$200,000.—V. 93, p. 1464, 1319.

Toledo Port Clinton & Lakeside (Electric) Ry.—Meeting Adjourned.—The stockholders' meeting to vote on a proposition to sell the property to Eastern capitalists scheduled for Nov. 20 was adjourned for several weeks owing to the absence of President Schmitt in Europe. W. S. Barstow & Co. of New York are said to have made an offer for the road.—V. 93, p. 1388.

United Railways of the Havana & Regla Warehouses.—Meeting.—The shareholders were to vote Nov. 18 on—

(1) Acquiring the share capital (£1,100,000) of the Western Ry. of Havana, Ltd., carrying dividend from July 1 1911, by giving £10 ordinary capital and £4 15s. 5% cumulative preference capital for each £10 of fully-paid share of the Western Ry.; (2) increasing the capital to £9,960,000 by the creation of 110,000 ordinary shares of £10 each, to be converted when fully-paid, into ordinary stock; and (3) dividing the 173,000 unissued cumulative preference shares of £10 each into 10 shares of £1 each, the same to be converted, when fully paid, into stock. (Compare V. 93, p. 528.) [After paying on Oct. 21 1911 4%, less income tax, on ordinary stock for year, and carrying £15,000 to reserve and £25,000 to general renewals reserve, the United brought forward an accumulated surplus of £12,701.]—V. 93, p. 1465, 1388, 528.

Virginia Railway & Power Co.—New Directors.—Frank O. Briggs, F. W. Roebling Jr., Caldwell Hardy, Fergus Reid and James L. Sellman have been elected directors to represent the Norfolk & Portsmouth Traction Co., recently merged with the Virginia Co.—V. 93, p. 1319, 1260.

Westchester Street (Electric) RR.—Decision.—The Appellate Division, Third Department, on Nov. 16 affirmed the decision of Justice Cochrane, which sustained the order of the Public Service Commission, 2nd Dist., reducing the fare between Mamaroneck and White Plains from 10 to 5 cents.

The Commission acted on a complaint made by the village of Mamaroneck, which contended that a franchise granted to the predecessor company, the Tarrytown White Plains & Mamaroneck Ry., provided for the lesser fare.—V. 90, p. 504.

INDUSTRIAL, GAS AND MISCELLANEOUS.

Amalgamated Asbestos Corporation.—Canadian Committee.—Sir Hugh Graham, H. J. Fuller and W. G. Ross have agreed to represent Canadian bondholders.

The three committees, representing Canadian, English and American bondholders, will, it is stated, investigate the company's position. A meeting of the bondholders of the Amalgamated Asbestos Co. has been called at Montreal on Jan. 25 to discuss plans of reorganization.

American Gas Co., Phila.—Stock.—The Phila. Stock Exchange has listed \$50,000 stock issued for conversion of coll. trust convertible bonds, making the stock listed \$3,276,500.—V. 93, p. 1325, 529.

American Gas & Electric Co.—Bonds.—The Phila. Stock Exchange has listed \$353,000 additional coll. trust 5% gold bonds, due Feb. 1 2007, issued in exchange for shares of the Electric Co. of America, making the bonds listed \$5,447,900 and reducing the listed stock to \$594,340.—V. 93, p. 1192.

American Stogie Co.—Dissolution.—The stockholders will vote on Dec. 22 on steps looking to the dissolution of the company in accordance with the recent decision of the United States Supreme Court ordering the disintegration of the American Tobacco Co.

A committee representing some of the minority stockholders, of which Edward G. Lang is Secretary, has sent out a notice to minority stockholders, merely as a matter of precaution, to withhold proxies until further information is obtained. It is expected that before the date of the meeting, the desired information will be forthcoming, and that there will be no need for further action.—V. 89, p. 350.

American Telephone & Telegraph Co.—Conversions.—The conversion of convertible bonds into stock (in connection with the payment in full of numerous subscriptions for stock under the recent offer) have increased the outstanding stock to \$317,422,300, and reduced the amount of convertible bonds outstanding to \$21,106,000.—V. 93, p. 1466, 1325.

American Tobacco Co.—Exchanges for "Stamped" Certificates of Deposit.—The protective committees representing the 4% bonds of the American and Consolidated Tobacco companies, the 6% bonds and the preferred stock, respectively, give notice, by advertisement, that the Guaranty Trust Co. and Central Trust Co. as depositaries for the several committees under the deposit agreements dated July 28 1911, will on and after Dec. 1 continue to receive deposits for exchange for new securities and cash as provided therein. Certificates issued against such deposits will be stamped so as to show that the depositor assents to the plan and authorizes the depositary to exchange the deposited securities for the new securities and cash deliverable under the offer contained in the plan. The "stamped" certificates of deposit have been listed on the New York Stock Exchange.

As provided in the agreements, any holder of a certificate of deposit may, on or before Dec. 28, upon surrender of the same, endorsed in blank, to the depositary, and without expense, withdraw from said agreements and receive the bonds or pref. stock represented thereby, and shall thereupon cease to have any rights under said agreement. Holders of certificates who do not so withdraw on or before Dec. 28 shall be deemed for all purposes

to have waived the right of withdrawal, and to have assented to the plan and shall be bound thereby.

Bonds now on deposit and not withdrawn on or before Dec. 28 and bonds hereafter deposited will be exchanged by the depositary for the new securities and cash offered under the plan, and the depositary will deliver to holders of its certificates of deposit such new securities and cash when available for delivery upon surrender of such certificates of deposit, endorsed in blank, without expense to the holders thereof.—V. 93, p. 1466, 1388.

Atlantic Gulf & West Indies Steamship Co.—Sub-Company Dividends.—It is learned that the semi-annual dividends to be paid in December by the controlled companies are: Clyde Line, 2½%; N. Y. & Porto Rico SS. Co., 2%; both payable Dec. 18 to stock of record Dec. 4.

The company owns all the \$8,000,000 stock of the N. Y. & Porto Rico SS. Co. and 95% of the \$14,000,000 stock of the Clyde Line.—V. 93, p. 409.

Beaumont (Tex.) Electric Light & Power Co.—New Company.—Stone & Webster, who recently exercised their option on the electric light and power business of the Beaumont Ice, Light & Refrigerating Co. (V. 93, p. 1326), caused the incorporation in Texas on Nov. 15 of a new company—Beaumont Electric Light & Power Co.—with \$880,000 auth. capital stock in \$100 shares, to take over the same.

Gross Earnings. El. Lt. & Power Business of Old Co., '05 to '11 (Last 2 Mo. Est.).

1905.	1906.	1907.	1908.	1909.	1910.	1911.
\$115,306	\$128,597	\$148,331	\$155,048	\$160,742	\$168,152	\$180,000

Boise (Idaho) Gas Light Co., Ltd.—Purchase.—Kelsey-Brewer & Co. of Grand Rapids, Mich., who already owned eight public service properties, have purchased this company, and, it is said, are planning an issue of \$300,000 1st M. 30-year 5% gold bonds for improvements.

Capitalization recently reported as follows: Common stock auth. and issued, \$100,000; pref. 6% cum., \$100,000, issued, \$80,000; 1st M. 30-year gold sinking fund 5s, par \$1,000, auth. and issued, \$200,000, dated 1908, due Feb. 1 1938; Int. F. & A. at New York Trust Co., trustee. Mortgage of 1904 for \$500,000 has been canceled.

California-Michigan Land & Water Co.—Offer to Sell to City.—See "Alhambra (Cal.)" in State & City department.

Central Georgia Power Co.—Control.—See Georgia Light, Power & Railways under "Railroads" above.—V. 89, p. 531.

Citizens' Light & Power Co., Sacramento, Cal.—New Project.—This company filed articles of incorporation in California on July 21 1911 with a view to installing an electric system in Sacramento in the interest of Great Western Power Co. Authorized capitalization: Common stock, \$3,000,000; pref. stock, \$2,000,000; bond issue, \$2,500,000. President, George W. Peltier, Sacramento.

Cudahy Packing Co., Chicago.—Report.

Oct. 28.	Gross Sales.	Profits for Year.	Deprec'n. &c.	Pf. Divs.	Com. Divs.	Bal.
Year—						
1910-11	\$87,803,856	\$830,334	\$451,027	\$120,000		\$259,307
1909-10	93,315,696	1,464,952	445,835	120,000	\$700,000	199,117

Great Western Power Co.—Allies or Subsidiaries.—See Citizens' Light & Power Co. above and Sacramento Valley Power Co. below.—V. 93, p. 668.

Guggenheim Exploration Co.—Reduction of Dividend of Controlled Co.—See Yukon Gold Co. below.—V. 93, p. 411.

International Agricultural Corporation.—Earnings.—Dominick & Dominick, who recently offered a block of the voting trust certificates for 7% pref. stock, report earnings for the fiscal year ending June 30 1911 (one month estimated):

Year ending June 30—	1911.	1910 (actual).
Net earnings	\$2,000,000	\$1,017,504
Preferred dividends	780,000	437,271
Balance, surplus	\$1,220,000	\$580,233

International Harvester Co.—Modification of Order.—The Supreme Court of Missouri in the ouster suit on Nov. 27 modified the decision handed down on Nov. 14 by reducing the fine from \$50,000 to \$25,000. See V. 93, p. 1389.

Chief Justice Valliant, who wrote one of the opinions, says that, on the whole, the evidence shows that the company has not used its power to oppress or injure the farmers who are its customers, and that the price of harvesting machines has not increased in proportion to the increased cost of construction or increased merit of the machines; also that "the evidence also shows that while harvesting machines were the chief products of the companies absorbed by the International Harvester Co., that company has greatly enlarged its business and extended it to many other farm implements and has thus put itself in competition with the many concerns that theretofore were and still are engaged in manufacturing such other farm implements, and the farmers generally have profited thereby."

Justice Ferris, in a separate opinion, says that, however, "the statute is plain in its terms and indicates very clearly that it was the purpose of the Legislature to forbid a license in this State to any foreign corporation which should prove to be a member of any combination organized to lessen competition, and this without regard to the question whether the consumer would be injuriously affected. Such drastic law was regarded, no doubt, as necessary in order to prevent evils which might flow from a combination intended to prevent competition." See editorial in "New York Sun" of Nov. 25.—V. 93, p. 1389, 799.

International Salt Co.—Called Bonds.—For payment on Jan. 1 1912 at the Continental & Commercial Trust & Savings Bank, Chicago, successor trustee, at 102 and interest, 20 bonds issued in 1892 by the Kansas Salt Co. (Hutchinson-Kansas Salt Co.).—V. 92, p. 1104.

Jamison Coal & Coke Co., Greensburg, Pa.—Car Trusts Offered.—Henry & West, Philadelphia, are placing at par and int. 5% coupon car trust certificates dated May 1 1911 and due serially May 1 1912 to May 1 1921, but callable at 102½ and int. on any interest date after May 1 1912. Tax-free in Pa. Principal and interest (M. & N.) payable at Girard Trust Co., Phila., trustee. Total auth. and issued, \$400,000. Par \$1,000. A circular says in brief:

Secured by 400 steel coal cars, B. & O. R.R. standard, costing \$468,000 of which paid in cash \$68,000. These cars are leased to the Jamison Coal & Coke Co. by the trustee at an annual rental sufficient to provide for principal and interest as they become due, the title to the entire 400 cars remaining in the trustee until all the certificates are paid.

The company, incorp. in 1892, owns and operates mines and ovens in Westmoreland Co., Pa., and Marion Co., W. Va. The average earnings for the last five years have been over \$850,000 per annum, applicable to the payment of interest charges and maturing principal on its total funded

debt of \$9,569,000, which includes this issue of car trust certificates. These earnings should be largely increased when the mines in West Virginia, recently purchased by the company, are developed. The certificates mature annually on May 1 as follows: 1912, \$30,000; 1913, \$30,000; 1914, \$35,000; 1915, \$35,000; 1916, \$40,000; 1917, \$40,000; 1918, \$45,000; 1919, \$45,000; 1920, \$50,000; 1921, \$50,000. See V. 92, p. 729.

Kings Hill Irrigation & Power Co. (of Nevada).—Default
—**Deposits.**—This Nevada corporation, organized to irrigate some 18,000 acres in Southern Idaho with water from the Malad River, defaulted May 1 1911 on the first installment of principal (\$40,000) on its outstanding \$358,400 1st M. 6s of 1908 and also on Nov. 1 on the interest then due. A bondholders' committee, consisting of Joseph E. Otis, William J. Louderback and Frank M. Murphy, all of Chicago, requests deposits of the bonds not later than Dec. 1 with the Western Trust & Savings Bank of Chicago, depository under agreement dated Oct. 28 1911.

Digest of Circular Issued by Farwell Trust Co., Chicago, Oct. 28 1911.

At the time the bonds were sold the irrigation system had been put into operation, the lands had been sold and the company had ample income accruing from such sales to provide for its bonds and coupons. During 1909 it was operated with fair satisfaction. However, necessary repairs were not made and certain structural defects developed. The water service rendered in 1910 was unsatisfactory, and at the end of that season the system was in a very serious condition. We then made arrangements whereby the active management has since been in the hands of persons selected with our co-operation. We also, early in 1911, and for the purpose of enabling the company to remedy structural defects and make repairs, purchased obligations in excess of \$200,000 secured by liens inferior to those of your bonds, and thus enabled the company to effect a substantial rehabilitation of its plant, although some repairs and improvements are still needed.

Unfortunately, the delays and irregularities in water service have entitled the settlers to postponements in payments and have caused some of them to advance counter claims. Under these circumstances the company is unable to meet its current obligations or to provide for operating expenses for the coming year, and it will not be able to pay the interest coupons which will become due Nov. 1 on its 1st M. bonds. We are not prepared to provide further funds. From present reports we believe that the bondholders should ultimately realize upon their investment without serious loss. Upon adoption of any reorganization plan the depositing bondholders will be given 30 days in which to file dissent, but if 40% in interest of the depositors do not so dissent, the plan will be binding on all depositors. It is hoped that the bondholders may receive in exchange bonds in a new irrigation district. No receiver has been appointed. There is also a Kings Hill Extension Irrigation Co., which has outstanding \$200,000 1st M. serial 6s, due April 1 1912 to April 1 1920; auth. issue, \$1,000,000; trustee, Cont. & Com. Tr. & Savings Bank, Chicago. See V. 89, p. 47.

Lexington (Ky.) Hydraulic & Mfg. Co.—Water-Works Bonds Called.—The company announces that it will redeem at par and int. at the Amer. Trust Co., Boston, on June 1 1912 all of its outstanding bonds, secured by mtges. dated Feb. 1 1896, Feb. 1 1901 and June 1 1904.

Sale of New Bonds—Option of Exchange.—There have been sold to E. H. Rollins & Sons of Boston and Chicago, the Security Trust Co. of Lexington, Ky., and the Lexington City Nat. Bank \$800,000 of a \$2,000,000 issue of new 1st M. 5% gold bonds dated Oct. 2 1911 and due serially Oct. 2 1931 to 1936, in order to redeem all the \$600,000 outstanding bonds, and to furnish capital required for extensions and improvements necessitated by the rapid growth of the city. With the consent of Rollins & Sons and their associates, the privilege is offered to holders of the old bonds to exchange their bonds on a basis of par and int. for the new bonds.

The new 5s will be in denominations of \$1,000, \$500 and \$100, and their interest will be paid A. & O. at Continental & Commercial Trust & Savings Bank, Chicago.

Persons desirous of making the exchange will deposit their bonds, on or before Dec. 31, with the American Trust Co., Boston, or with Continental & Comm'l Tr. & Sav. Bk., Chicago, or with Security Tr. Co., Lexington.—V. 91, p. 1774.

Liggett & Myers Co.—Officers, &c.—This company, organized pursuant to the reorganization plan of the American Tobacco Co. (see V. 93, p. 1122), announces:

President, C. C. Dula; Vice-Presidents, C. W. Toms, E. B. McDonald, H. A. Walker and R. D. Lewis; Secretary, E. H. Thurston; Treasurer, T. T. Anderson. Directors, C. C. Dula, C. W. Toms, E. B. McDonald, H. A. Walker, R. D. Lewis, R. B. Dula, J. A. Lewis, W. R. Irby and A. Klein.

(P.) Lorillard Co.—Officers, &c.—This new company, which takes over part of the assets of the American Tobacco Co. (V. 93, p. 1122), has elected:

President, T. J. Maloney; Vice-Presidents, R. K. Smith, D. H. Ball, B. L. Belt, H. D. Kingsbury and G. H. Hummell; Secretary and Treasurer, W. B. Rhett. Directors, T. J. Maloney, R. K. Smith, D. H. Ball, B. L. Belt, H. D. Kingsbury, W. B. Rhett, George M. Williams, George H. Hummell and T. G. Smith.—V. 93, p. 1108.

Macon (Ga.) Gas Co.—Control.—See Georgia Light, Power & Railways under "Railroads" above.—V. 93, p. 942.

Manufacturers' Light & Heat Co., Pittsburgh.—Dividends Resumed.—A dividend of $\frac{3}{4}$ of 1% has been declared on the \$21,500,000 common stock, payable Dec. 20 to holders of record Dec. 8, being the first distribution since Oct. 1906. Payments of $1\frac{1}{2}$ % quarterly (6% yearly) were made from 1903 to 1906, inclusive.—V. 93, p. 1263, 411.

Medina (O.) Gas & Fuel Co.—Bond Issue.—The Public Service Commission of Ohio on Nov. 29 granted the application to issue \$250,000 bonds to build a new 60-mile pipe line from the Medina-Ashland field to Kenton.

Mergenthaler Linotype Co.—Extra Dividend—Total Dividends for Year 1911.—A regular quarterly dividend of $2\frac{1}{2}$ % and an extra dividend of $3\frac{1}{2}$ % have been declared on the \$12,797,800 stock, payable Dec. 30 to holders of record Dec. 9. For many years regular quarterly dividends of $2\frac{1}{2}$ % and extra dividends of $2\frac{1}{2}$ % were paid with 5% extra at the end of the year, making 15% for the year. In 1911 the regular payments have also been $2\frac{1}{2}$ %, but there were extra disbursements of $\frac{1}{2}$ of 1% extra in March, June and Sept. The total for the year 1911 is, therefore, 15%, the same as in other recent years.

Dividend Record (Per Cent).

Year	1895	1896	1897	1898-00	1901	1902-10	1911
Per cent	$10\frac{1}{2}$	16	$16\frac{1}{2}$	20 y'ly	$13\frac{1}{2}$	$15\frac{1}{2}$ y'ly	15

 2 1/2% quar. (Q.-M.) and in Dec. 5% extra.—V. 93, p. 1389, 1189.

Mexican Light & Power Co., Ltd.—Bonds—Earnings, &c.—The following data were furnished in connection with the recent offering in London by Dunn, Fischer & Co., at £87%,

of £1,000,000 2d M. 5% 50-year bonds, part of a present issue of £3,000,000:

The above bonds are secured by a trust deed in favor of the National Trust Co., Ltd., of Toronto, dated Oct. 19 1911, subject to \$11,599,000 outstanding 1st M. bonds, on all undertakings and immovable property bonds, debentures, shares, &c., owned and hereafter acquired with the bonds, and a general floating charge upon all other property. The present authorized issue is £3,000,000 and may be increased from time to time up to £5,000,000, but only after the share capital has been increased by the sale for cash of an equal amount of ordinary shares at par.

The bonds will be dated Dec. 1 1911 and will be redeemable at par on Dec. 1 1961, by sinking fund commencing in 1922, through annual drawings at par, or by purchase at or below that price, plus accrued interest; or the bonds may be redeemed at 105% at any time on six months' notice or on voluntary liquidation or amalgamating with other companies. Par £100 (c). Interest payable J. & D. at the Bank of Scotland in London and at the Canadian Bank of Commerce, New York and Toronto.

Abstract of Letter from President F. S. Pearson Oct. 31 1911.

The company has issued \$19,585,000 share capital, \$6,000,000 being 7% preference shares and \$13,585,000 ordinary shares. On the preferred shares it has paid half-yearly dividends at the rate of 7% since their issue in 1907 and on the ordinary shares quarterly dividends at the rate of 4% since 1908. The company has outstanding \$11,599,000 5% 1st M. 30-year bonds, due in 1933, which are being redeemed by means of an annual sinking fund of 1% and cannot be extended.

The company also has outstanding £3,000,000 5% 2d M. 50-year bonds, of which the present issue of £1,000,000 forms part, and the proceeds of which are used to repay advances, the balance of £2,000,000 being lodged as security for the outstanding advances from the Mexico Tramways Co., which owns about 62% of the ordinary share capital. The advances by the Mexico Tramways Co. are for the purpose of extending the company's hydraulic installations and distributing system, including the completion of the canals and reservoirs hereinafter mentioned, and for the purchase of the shares of the Pachuca Light & Power Co. (V. 93, p. 227). This issue may be increased from time to time up to £5,000,000, but the increase can only be made after the capital has been increased by the sale for cash of an equal amount of ordinary shares at par.

The power supply of the company is principally derived from its extensive hydraulic plant on the Necaxa River, where it is generating to-day about 64,000 h. p., but which power station has a capacity of about 96,000 h. p., and has prepared for the installation of two additional generators of 16,000 h. p. each, which will bring the capacity of the power house up to 128,000 h. p. The company is constructing a system of canals and reservoirs to utilize the waters of the Laxaxalpan and Catepuxtia rivers. Upon the completion of this work, about the end of 1912, water sufficient to develop 80,000 h. p. will be brought to the Necaxa reservoir through this system of canals, which will permit the full operation of the power house at its increased capacity of 128,000 h. p. As all the waters passing through the Necaxa power house can be used a second time at a further fall three miles down the river, and an additional 100,000 h. p. developed, the company has a large reserve for future requirements. The power generated at Necaxa is transmitted to the cities of Mexico, Pachuca and El Oro over steel tower transmission lines. In addition the company owns a steam generating station in the City of Mexico capable of producing 15,000 h. p.

The company controls and operates the light and power system supplying the public and private light and power requirements of the City and Federal District of Mexico, including the lighting of the streets and public buildings, and the power required for the pumping of the water supply and the drainage systems of the city; also supplies 14,000 h. p. to the city and mining district of El Oro. The company owns the entire capital stock of the Mexican Electric Light Co. and has leased the latter's two steam generating stations in the city of Mexico, capable of producing 4,500 h. p.; a hydraulic installation capable of producing 3,000 h. p., and an extensive system of electric-light canalization in the City of Mexico. Also owns the entire capital stock of Pachuca Light & Power Co., which purchases 15,000 h. p. from the company and supplies the light and power to the city and mining district of Pachuca.

Earnings of the Company (Last Three Mos. of 1911 and Entire Year 1912 est.).
 (Including in the net earnings for 1910 and subsequent years the dividend from the Pachuca Company.)

	1912 (est.)	1911 (est.)	1910.	1909.	1908.	1907.	1906.
Gross	\$801,000	\$716,299	\$664,086	\$619,382	\$603,795	\$506,544	\$395,978
Net	675,000	528,154	500,927	384,708	381,760	306,188	220,949

After payment of interest and sinking fund of the 1st M. bonds, amounting to \$143,936, there is available in 1911 more than twice the amount required for the service of the £3,000,000 5% 2d M. 50-year bonds. See report in V. 93, p. 1389.

New York Transportation Co.—Report of Fifth Ave. Coach Co.—Report for year ending June 30:

Fiscal Year—	Operating Revenue.	Net Earnings.	Other Income.	Interest Paid.	Surplus or Deficit.
1910-11	\$631,311	\$3,275	\$294	\$37,390	def. \$33,821
1909-10	630,325	65,420	725	36,715	sur. 29,432

The general balance sheet as of June 30 1911 shows total assets, \$785,928, increase \$88,529; cash, \$11,461; decrease, \$39,016; profit and loss deficit, \$465,098; increase, \$34,761.—V. 92, p. 1503.

Paducah (Ky.) Water Co.—Bonds Called.—The company has called for redemption its \$100,000 6% 2d M. bonds and to refund the same and to provide for improvements will make an issue of 5% bonds.

Interest on bonds of the Paducah Water Supply Co. is payable M. & N. at Mercantile Trust & Safe Deposit Co., Baltimore.

People's Coal Co., Scranton, Pa.—Bonds Sold.—During October last A. B. Leach & Co., N. Y., Phila., &c., placed at 100 $\frac{1}{2}$ and int. for the earlier and 100 and int. for the later maturities \$350,000 1st M. 6% gold bonds, dated Oct. 15 1911 and maturing \$20,000 serially each six months from Oct. 15 1912 to Oct. 15 1920, both inclusive. Principal and interest, A. & O. 15, payable at Fidelity Trust Co., the trustee, Phila. Par \$1,000 (c). Callable on any interest date in numerical order at 102 $\frac{1}{2}$ and int. upon 20 days' notice. Auth., \$400,000; canceled, \$50,000; outstanding (closed), \$350,000. Capital stock, \$100,000. A circular says:

A first lien on leases in perpetuity of coal land containing 1,518,032 tons of mineable anthracite coal; also buildings, equipment, &c., having a replacement value estimated at \$400,000, viz.: New modern breaker of 1,200 tons a day capacity, office building, boiler house, two engine houses, hoisting apparatus, electric-lighting plant, stables, all located upon 12 acres of land in the heart of Scranton. There are ten veins of coal open for operation, ranging in thickness from 3.32 to 12 ft. 6 in. (total 72 ft.) and in distance from surface from 80 to 561 ft.

Sinking fund 40 cents per ton on all coal mined, and the company agrees to contribute also 40% of its annual surplus earnings after payment of fixed charges to the further retirement of the bonds.

Began business October 1899 and was acquired in April 1901 by the late J. L. Crawford of Scranton. Coal wholesaled: 1901, 102,529.07 tons; 1910, 12,278.16 tons; retailed: 1901, 21,346.03 tons; 1910, 95,625.04 tons. The D. L. & W. RR. Co. has agreed to purchase all tonnage mined at 65% of the tidewater rate. The coal company, however, has a more lucrative field in Scranton, doing about 80% of the retail business in that city. While the capacity of the plant is 1,200 tons a day, the management has deemed it inadvisable to increase the output as its retail business is of greater pecuniary advantage than to do a larger wholesale business at a lesser price. Has been in operation for over 10 years and has mined an average of over 150,000 tons per annum, showing net earnings in excess of \$125,000 annually. The President is F. P. Christian.

People's Gas Light & Coke Co. of Chicago.—New Chairman and Director.—Anthony N. Brady has been elected Chairman of the board and James F. Meagher of Chicago, for many years general counsel, has been chosen a director, both to succeed C. K. G. Billings, who resigned some time ago.—V. 93, p. 536, 349.

Philadelphia Electric Co.—Rate Reduction Jan. 1.—The following official announcement was made Nov. 29:

Reductions in the lighting rates and charges, to take effect Jan. 1 1912, mean a reduction in the company's revenue in excess of \$200,000 a year; based upon the present business, which it is expected, however, will be made up by the increase of business under the new rates. The reductions are made in the Edison underground district, bounded by Lombard and Callowhill streets and the Delaware and Schuylkill rivers, and apply to the retail sliding scale consumers and some of the term-contract consumers; the basic rate being changed from 15c. to 12c. per k. w. hour. They also affect the residences and the minimums in this district, where the lowest minimum will be \$3 a month instead of \$4 62 each four weeks. Reductions similar were made some time ago to consumers in all districts not covered by this territory. More favorable rates also will be given to churches, hospitals and charitable institutions (other than private).—V. 93, p. 942.

Plattsburgh (N. Y.) Gas & Electric Co.—Earnings.

Year Ending—	Gross Earnings	Exp. & Taxes	Net Earnings	Annual Bond Int.	Balance, Surplus.
Aug. 31 1911	\$100,476	\$67,642	\$32,834	\$17,055	\$15,779
Dec. 31 1910	97,439	62,427	35,012	17,000	18,012

—V. 92, p. 1315.

Public Service Co. of Northern Illinois.—Sale of Stock.

Russell, Brewster & Co., Chic. and N. Y., offered last week at 93 and accrued div., and have wholly sold, \$2,000,000 of the present issue of \$4,300,000 6% cum. pref. stock, total auth. \$10,000,000. The firm on Nov. 27 quoted the pref. stock at 95½ bid, 96½ asked; the com. at 83 bid, offered 84.

Condensed Extracts of Bankers' Circulars.

Incorporated in Illinois (in Oct. 1911) with an authorized capital stock of \$25,000,000, divided into 15,000,000 common stock, of which 10,000,000 is issued and outstanding, and 5,000,000 preferred, of which the present issue is \$4,300,000. The new company has now taken over (per plan V. 93, p. 231, 733) the properties of the following prosperous corporations: North Shore Electric Co. (V. 92, p. 192); Illinois Valley Gas & Electric Co. (V. 91, p. 41; V. 90, p. 1617); Economy Light & Power Co. (V. 93, p. 39; V. 90, p. 979); Chicago Suburban Light & Power Co. (V. 92, p. 191); Kankakee Gas & Electric Co. (V. 91, p. 1577).

The territory served includes all communities in the fine residential section known as the "North Shore," with such large suburban centres as Waukegan, Lake Forest, Highland Park and Evanston; it reaches to the limits of Chicago (served by the Commonwealth Edison Co., of which Samuel Insull, the Pres. of the Pub. Serv. Co. of Nor. Ill. is President) and includes the manufacturing and residential towns of Oak Park, River Forest, La Grange and towns in the vicinity; the manufacturing and commercial towns of Blue Island, Harvey, Chicago Heights and Kankakee, with their growing population and large manufacturing interests. It includes Joliet, Lockport, Streator, Rochelle and other communities in the Illinois Valley; with its present southwestern limit at Lacon. This territory covers completely the suburban residential as well as manufacturing and farming centres of practically the northeastern section of Ill., containing a population of close to 500,000, with great development possibilities.

In taking up the stocks of the combined companies, only \$763,000 of the pref. stock was issued in exchange, the balance of the exchange being in common stock; the additional preferred stock now being issued for cash is to provide funds to pay for property acquired and current needs of the co.

The underlying bonded debt of the combined properties is \$11,141,000, of which \$3,250,000, being the 1st M. bonds of the Illinois Valley Gas & Electric Co. and the 5½% debentures of the Chicago Suburban Light & Power Co., will, on or before Feb. 1 1912 be paid off, leaving the total underlying bonded debt \$7,891,000, of which the company has signified its intention to pay off \$2,265,000 by the redemption of the North Shore Electric 1st M. 5% bonds of 1922, which can, and probably will, be called for payment on or within 18 months from Oct. 1 1912, leaving the underlying bonded debt of the combined properties \$5,626,000.

In addition thereto the Public Service Co. of Northern Illinois has issued \$4,250,000 first & refunding 5% bonds, dated Oct. 1 1911, due Oct. 1 1936.

Estimated Earnings for Calendar Year 1912.

Gross earnings	\$3,624,546	Int. on underlying bonds	\$378,700
Oper. expenses and taxes	2,212,020	Int. \$4,250,000 1st & ref. 5s	212,500

Net earnings \$1,412,526 Surplus for stock \$821,326
Directors: Samuel Insull, Pres.; Frank J. Baker, Vice-Pres.; Charles A. Munroe, Vice-Pres.; John F. Gilchrist, Asst. to the President; Henry A. Blair, H. M. Byllesby, Louis A. Ferguson, William A. Fox, Frank A. Logan, John L. Norton, Charles H. Randle, Edward P. Russell, Solomon A. Smith, John H. Gulick is Secretary and Treasurer.—V. 93, p. 1025.

Pond Creek Coal Co.—Oversubscribed.—The 150,000 shares of \$10 each were largely oversubscribed at \$15 a share. See V. 93, p. 1469.

(M.) Rumely Co. (Agricultural Implements, Tractor Engines, &c.), La Porte, Ind.—Offering of 7% Cumulative Pref. Stock.—William Salomon & Co., New York and Chicago, and Hallgarten & Co., New York, having placed a large amount of the issue here and in Europe, received subscriptions yesterday at 97% and accrued dividend (see advertisement on another page) for the unsold portion of the new issue of \$8,000,000 7% cumulative preferred stock, preferred as to both assets and profits. Par value of shares, \$100. Redeemable as a whole at the option of the company on any dividend date at 115 plus accrued dividend. Sinking fund provisions for purchase or ultimate redemption at 115. Dividends Q.-J. A simultaneous offering was made in Amsterdam by Adolph Boissevain & Co. Application will be made to list the preferred stock on the New York Stock Exchange.

The offering has been largely over-subscribed, and appears in the "Chronicle" only as a matter of record.

Digest of Letter from Sec. and Treas. Edward A. Rumely, La Porte, Nov. 27.

Capitalization.—The present issue of preferred stock, together with part of the common stock, will enable the company to purchase the properties, assets and business of the Advance Thresher Co., Battle Creek, Mich. (established in 1885), and Gaar, Scott & Co. of Richmond, Ind. (est. in 1836.) The company has called for redemption on March 1 1912 its outstanding debentures, original issue \$1,000,000, and has likewise called for redemption at 105 its prior issues of pref. stock; for these purposes assets have been directed to be set aside. There is no mortgage upon the property and upon the payment of the debentures and outstanding pref. stock the company will have no funded debt and the capitalization will be:

Capitalization—	Authorized.	Now to be Out.
Cumulative 7% pref. stock	\$10,000,000	\$8,000,000
Common stock	12,000,000 (about)	9,000,000

Arrangements have been made for the purchase by interests closely connected with the properties of over \$2,500,000 of the common stock at par.

Business.—Business established in 1853; plants located at La Porte, Ind. Now ranks as one of the three most important manufacturers of agricultural implements in the United States. Through the acquisition of the properties of Gaar, Scott & Co. and the Advance Thresher Co., the company will add lines which it does not now itself manufacture and which will be salable during seasons when its present selling force is practically idle; it will also acquire branch houses at 27 places where it has no present facilities.

Description of Pref. Stock.—(1) Entitled to cumulative dividends at rate of 7% per annum, but no more, payable quarterly (Q.-J.), the first dividend payable April 1 1912 being for four months or \$2.34 per share. (2) Redeemable in whole, but not in part, at option of company on any dividend date at 115 and accrued dividends, and is entitled to priority in payment of principal out of the assets over the common stock for full face value and all arrearages of dividends. (3) No real estate can be conveyed or property mortgaged without the written consent of the holders of 75% of the pref.

stock. (4) No dividend on the common stock while pref. dividend is in arrears or pref. stock sinking fund is in default, nor unless the net quick assets exceed the par of outstanding pref. stock after deducting such dividend. (5) The pref. stock cannot be voted except in case of default for six months in payment of its dividends or of failure to comply with provisions for pref. stock sinking fund, but the pref. stock will have equal voting power with the common stock so long as such default continues.

Sinking Fund for Retirement of Pref. Stock.—There is to be credited out of earnings during the first two years \$200,000 per annum, and thereafter at rate of 3% on the amount of pref. stock issued; also an amount equal to any cash dividends declared during the preceding calendar year on the common stock in excess of \$800,000. If the outstanding pref. stock be reduced to \$5,000,000, then an amount equal to the amount of cash dividends declared on the common stock in excess of \$1,000,000 per annum will be credited to the sinking fund in addition to said 3%. All sums so credited must be applied to the purchase and cancellation of pref. stock at not exceeding 115 and accrued dividends or accumulated for its ultimate redemption at 115.

Approximate Combined Assets and Liabilities of the Various Companies as they will be Dec. 31 1911.

[Based on expert appraisal and report of public accountants after adding the estimated net earnings for 1911, the new cash capital, the value of patents (but not trade-marks or good-will) and deferred charges. Real estate, buildings, machinery, patterns, dies, &c., at factories and branches, \$4,781,514; real estate not used for the business, \$57,616.]

Patents	\$4,839,132
Securities and loans to other companies, \$925,547; deferred charges, \$351,016	1,500,000
Current assets: Inventory, \$5,181,304; notes and accounts receivable, \$7,884,299; cash, \$1,050,000	1,276,563
Total assets	14,115,603
Current liabilities: Accounts and bills payable, \$2,671,849; contingent liability (commissions), \$424,396	\$21,731,298
Surplus of assets (being 2 ¼ times the new pref. stock)	3,096,245

Consolidated Net Earnings.

Average net for the four years ended Dec. 31 1911 (1911 partly est.—1908-10 as certified by Barrow, Wade, Guthrie & Co.)... \$910,029
For calendar year 1911 (partly estimated)..... about 1,350,000
Estimated for 1912 on basis of orders already booked and requisitions from managers in the field..... over 2,200,000
Dividends of 7% per annum on said new pref. stock call for..... 560,000

The estimate for 1912 allows for practically no increase by the Rumely plant itself except in the manufacture of oil pull tractor engines. This item would represent the sale of only 2,000 of these engines in 1912, whereas present production and sales are at the rate of 2,400 engines per year. The plant at La Porte has been working night and day for the past nine months, and there is a large excess of unfilled orders on hand, and during the past year many have had to be refused because of limited facilities.

Combined Annual Sales, showing Growth and Stability of the Business.

1910.	1909.	1908.	1907.	1906.
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\$7,142,327 \$6,629,438 \$5,438,914 \$5,874,518 \$5,989,012

Prior to 1910 the company's business was mainly the manufacture of threshers, separators, hullers, &c., but during the past year the company has completed a plant for the manufacture of a new type of internal combustion engine primarily designed for plowing purposes, which uses kerosene and the heavier oils instead of gasoline or other expensive fuels. This engine, known as the "Rumely oil pull tractor," does as much work with one barrel of kerosene oil as a steam plow engine does with 1½ tons of coal. It uses kerosene and low-grade distillates containing 20% more energy than gasoline and selling from 3 to 7 cents per gallon, whereas gasoline is selling at from 9 to 15 cents per gallon. Through the acquisition of the new lines manufactured by the Advance Thresher Co. and Gaar, Scott & Co., the company will greatly broaden the scope of its manufactures and its market. See also V. 92, p. 1247; V. 93, p. 1469.

Sacramento Valley Power Co., Redding, Cal.—Bonds, &c.

—This consolidated company, which had shortly before passed under the control of the Fleischhacker Brothers of California, who in April 1911 became identified with the Great Western Power Co. (V. 92, p. 1438, 958), filed in July last a mortgage to the Anglo-California Trust Co. of San Francisco, as trustee, to secure an issue of \$2,000,000 6% bonds. An exchange journal said at that time:

The proceeds will be used to take up \$400,000 of bonds of subsidiary companies, \$600,000 for enlarging its plants and extensions of transmission lines, and \$1,000,000 will be held in reserve. This company is a consolidation of the Sacramento Power Co., the Shasta Power Co. and the Northern Light & Power Co. It has two power plants located near Lassen, each having an output of 2,000 h.p., both of which will be increased to 7,000 h.p. The transmission lines of the company will be extended to Willows and to a connection with the lines of the Great Western Power Co., from which it will purchase additional energy as needed. The company proposes to cover the field north of Redding. The Sacramento Valley Power Co. and the Great Western Power Co. are controlled by the same interests.

"The Sacramento Valley Power Co.," the consolidated company, was incorporated in California Jan. 5 1911 with \$2,000,000 of auth. capital stock. In Oct. 1911 the stock of the People's Power Co. of Willows, Glenn County, Cal., was purchased, it is said, at par. Compare old co. in V. 91, p. 721.

San Gabriel Valley Water Co.—Offer to Sell to City.—See "Alhambra" (Cal.) in "State & City" Department.

Sheffield (Ala.) Coal & Iron Co.—Decision as to Syndicate Management.

—The Court of Appeals at Albany on Oct. 17, in the suit brought by August Heckscher against William Edenborn, who in 1902 organized a \$2,500,000 syndicate to buy the United States Iron Co. and some smaller properties (see United States Iron Co., V. 75, p. 621), which were consolidated under the name of the Sheffield company, rendered a unanimous decision holding that the plaintiff is entitled to the return of the full amount of his subscription thereto and of others who assigned their claims to him.

Justice Hiscock wrote the opinion. The Supreme Court of the County of Suffolk found for the plaintiff for about \$237,000. The Appellate Division, by a vote of 3 to 1, reversed the judgment of the lower Court, Justice Gaynor dissenting. The Court of Appeals reverses the Appellate Division and grants a new trial. Mr. Edenborn was the largest single owner of United States Iron Co. stock (which was put in at a valuation of \$700,000), that fact not being known to the syndicate subscribers at the time of its formation, and his name being on the subscription agreement for \$500,000. Justice Hiscock says that the principle that a person occupying a position of agent to purchase may not sell his own property to his principal is so elementary that it need only be stated, and that it must be quite as elementary and true that if one, by representation or suppression of facts when he ought to speak, induces another ignorantly to make a contract appointing the first his agent to buy and conferring upon him discretionary power to purchase his own property, the contract is voidable, and even if executed may be rescinded, and the money recovered back upon restoration of what has been received.—V. 88, p. 1628.

Southern California Edison Co., Los Angeles, Cal.—Offering of Common Stock.

—H. W. Noble & Co., N. Y., Detroit and Phila., are offering at the market price (on Nov. 28, 72, netting 7% income) the common shares of this California corporation. The firm says:

Operates electric light, power and gas properties in Los Angeles and in about fifty cities, towns and communities outside, serving a population now conservatively estimated to exceed 600,000 and rapidly increasing. Total electrical generating capacity of company's plants (steam and hydro-electric), 90,000 h. p.

Capitalization (As Officially Reported Sept. 1 1911.)

Prof. stock 5% cum., authorized and outstanding	\$4,000,000
Com. stk. (receiving 5% divs. per an.), auth., \$26,000,000; out.	7,200,000
Total mortgage bonds	12,160,000
6% 5-year gold debentures (entire issue) convertible into com. stock at par up to April 1 1916)	1,000,000

Earnings for Year ending July 31 1911 and Month of Sept. 1911 and 1910.	Year	September	Inc.
	1910-11.	1911.	1910.
Gross earnings	\$3,529,040	\$339,841	\$286,210
Net, after taxes	\$1,747,739	\$179,735	\$124,554
Fixed charges	666,971	54,667	54,022
Depreciation	645,000	75,000	60,000

Surplus \$445,768 \$50,067 \$10,531 376%
Above statement for year 1910-11 shows 12.3% earned on common stock after deducting int. and pref. dividend charges. See V. 93, p. 1469, 537.

Standard Oil Co.—Offices, &c., of Segregated Companies.—

The distribution to the holders of certain stock holdings, per plan in V. 93, p. 1390, began yesterday.

Transfer Offices of Segregated Companies and Annual Meeting Dates.

Atlantic Refining Co., 3144 Passyunk Ave., Phila., first Tuesday in March.
Borne Strymser Co., 80 South St., N. Y. City; last Monday in February.
Buckeye Pipe Line Co., 26 B'way, N. Y. City; fourth Wednesday in May.
Chesebrough Mfg. Co., Cons., 17 State St., N. Y. City; first Thursday in May.
Colonial Oil Co., 26 Broadway, N. Y. City; second Tuesday in January.
Continental Oil Co., McPhee Bldg., Denver; second Thursday in May.
Crescent Pipe Line Co., 424 Sixth Ave., Pittsburgh; first Monday in May.
Cumberland Pipe Line Co., 206 Seneca St., Oil City, Pa.; first Thurs. in Dec.
Eureka Pipe Line Co., 206 Seneca St., Oil City, Pa.; third Thursday in Jan.
Galena-Signal Oil Co. (pref. and common), Liberty and South Park streets, Franklin, Pa.; first Tuesday after first day of January.
Indiana Pipe Line Co., 26 Broadway, N. Y. City; third Wednesday in Moh.
National Transit Co., 206 Seneca St., Oil City, Pa.; first Monday in May.
New York Transit Co., 26 Broadway, N. Y. City; last Tuesday in January.
Northern Pipe Line Co., 26 Broadway, N. Y. City; third Tuesday in Jan.
Ohio Oil Co., Findlay, Ohio; Thursday after fourth Wednesday in May.
Prairie Oil & Gas Co., Independence, Kan.; second Tuesday in December.
Solar Refining Co., Lima, Ohio; Wednesday after first Monday in January.
Southern Pipe Line Co., 206 Seneca St., Oil City, Pa.; third Thursday in Jan.
South Penn Oil Co., 424 Sixth Ave., Pittsburgh; third Tuesday in January.
South West Penn Pipe Lines, 206 Seneca St., Oil City; third Thursday in Jan.
Standard Oil Co. (California), 461 Market St., San Francisco; Feb. 20.
Standard Oil Co. (Ind.), 72 West Adams St., Chicago; first Thurs. in Moh.
Standard Oil Co. (Kansas), Neodesha, Kan.; second Wednesday in May.
Standard Oil Co. (Kentucky), Louisville, Ky.; first Thursday in February.
Standard Oil Co. (Neb.), Brandies Bldg., Omaha; first Monday in January.
Standard Oil Co. of N. Y., 26 Broadway, N. Y. City; last Thursday in Feb. or if that is the 22d, on the next day.
Standard Oil Co. (N. J.), 26 Broadway, N. Y. City; second Tuesday in Jan.
Standard Oil Co. (Ohio), 3225 East 55th St., Cleveland; first Mon. in Jan.
Swan & Finch Co., 151 Maiden Lane, N. Y. City; second Tuesday in Jan.
Union Tank Line Co., 26 Broadway, N. Y. City; third Wednesday in Feb.
Vacuum Oil Co., Rochester Savings Bank Bldg., Rochester, N. Y.; last week-day in February.
Washington Oil Co., 424 Sixth Ave., Pittsburgh; first Wednesday in April.
Waters-Pierce Oil Co., 420 Olive St., St. Louis; third Thursday in February.
Anglo-American Oil Co., 36 and 38 Queen Anne's Gate, London; no day.
—V. 93, p. 1469, 1391.

(The) T. H. Symington Co., Baltimore.—Notes Offered.—

C. E. Mitchell & Co., New York, are placing at par and int. \$350,000 two-year mortgage 6% gold notes, par \$1,000(c*), dated Dec. 1 1911 and due Dec. 1 1913, but redeemable at 105 and int. on any int. date on 60 days' notice. Principal and quarterly interest (Q.-M.) payable at Safe Deposit & Trust Co. of Baltimore, trustee. A circular says in brief:

A closed mortgage resting on the entire property, except certain workmen's houses, built for early sale to them, and except net current assets. The company covenants and agrees that its current assets shall always exceed its current liabilities by an amount equal to 120% of the principal of these notes outstanding, and further that no expenditure for plant extension or enlargement will be made and no dividends paid on any stock that will deplete the net current assets below \$500,000. The balance sheet of Aug. 31 1911 shows net assets behind outstanding bonds, not including good-will or patents, of approximately \$2,500,000. Over \$2,000,000 is invested in plant. The proceeds of these notes will be used to pay bank loans of \$180,000 and to supply additional working capital. These notes are followed by \$1,500,000 pref. stock and \$1,000,000 common stock outstanding and are subject in lien only to a bond issue of \$900,000, due July 1 1920, which issue is reduced by \$30,000 as of the date Dec. 1 1911, and will be further reduced at the rate of \$5,000 per month through sinking fund requirements. Dividends have been paid on the pref. stock annually since organization of the business in 1901.

President T. H. Symington says: "Railroad buying is now rapidly nearing a normal condition, as evidenced by the recent authorization of about 50,000 cars to be purchased this fall by various railroads, for a large proportion of which the Symington Co. will furnish the equipment. For the past ten years the railroads of the United States and Canada have purchased an average of 182,065 freight cars per annum, while purchases for the 9 mos. of 1911 have amounted to only 40,381 cars, or only 30% of the 10-year average, which evidences the extreme depression recently passed through in railway equipment lines.

During the extreme dullness of the five months (April to August) of this fiscal year, while the company's works were operating at only 25% of capacity, its profits applicable to interest on these notes, and after deduction of bond interest and depreciation, amounted to \$66,577, or more than seven times the amount required for this period. A conservative estimate of the current fiscal year's earnings applicable to interest on these notes and based on contracts in hand is \$175,000. Our estimate of the annual net earnings is \$600,000 under normal conditions, operating at 75% of production capacity." See also V. 92, p. 123.

United Fruit Co.—Report.—Year ending Sept. 30:

Fiscal Year	Net Earnings	Other Income	Bond Interest	Cash Divs. (8%)	Balance, Surplus
1910-11	\$4,277,623	\$761,117	\$327,771	\$2,164,712	\$2,546,257
1909-10	5,912,294	640,282	260,583	1,877,472	4,414,521

—V. 93, p. 1390, 168.

United States Lithograph Co.—Mortgage.—The company has filed a blanket mortgage covering all real and personal property of the company to the Guaranty Trust Co. of New York, as trustee, to secure an authorized issue of \$1,500,000 6% \$1,000 bonds, payable Nov. 1 1931.

The mortgage does not cover any of the quick assets, including cash on hand and stock. The value of the property covered is, it is stated, about \$3,000,000, the quick assets also amounting to about the same.

The bond issue is to be used to fund the floating debt incurred as the result of the consolidation with a number of rival concerns, among them plants in Erie, Pa.; Buffalo, N. Y.; Newport, Ky., and two which were operated under one roof in Elizabethtown, N. J.

Preferred Dividend Omitted.—President Omwake in a statement issued Nov. 22, explaining the omission of the usual annual dividend on the \$3,200,000 7% cumulative preferred stock, said:

The taking over of the various factories has practically been completed, and in refunding the floating debt the directors unanimously considered it for the best interest of the company and stockholders to temporarily suspend the payment of dividends until the company's reserves are substantially increased.

Your directors, too, in considering the present unsettled financial and business outlook, look upon this as an act of business prudence, strengthening the interests of the stockholders.

The business of the company is in good condition, its earnings are increasing and substantial savings in operating expenses are made in taking over

the factories. The officers and managers are materially increasing the efficiency of the plants in economical equipment.

We believe the present policy of management will insure such continued success as will make the resumption of dividends practical within a very reasonable time and their continuance thereafter without interruption, as well as adding regularly to the company's surplus.

The dividends on the preferred stock are cumulative, and the lapsed dividends will therefore have to be paid before any dividend can be paid on the common stock.—V. 93, p. 173.

Western New York Water Co.—Bonds Called.—Thirty-nine (\$39,000) 2d M. 5% gold bonds of the Depew & Lake Erie Water Co., due Dec. 1 1926, for payment at 105 and int. on Dec. 16 1911 at the Girard Trust Co., Philadelphia, trustee.—V. 76, p. 756.

Wichita (Kan.) Water Co.—Elector to Vote on Purchase, or Construction of Opposition Plant, &c.—See "Wichita" in "State and City" department.—V. 93, p. 876.

Yukon Gold Co.—Dividend Reduced.—A quarterly dividend of 7½ cents has been declared on the \$17,500,000 stock (par \$5), payable Dec. 30 to holders of record Dec. 12, comparing with 10 cents quarterly heretofore since Mar. 31 1909, when the initial payment was made. President Samuel R. Guggenheim in a statement issued yesterday says:

At a meeting of the directors held to-day, it was decided to declare the quarterly dividend at the rate of 7½c. per share instead of 10c. per share which has been paid formerly; that is, to place the company for the present upon a 6% per annum basis instead of 8%.

The extraordinarily dull season prevailing in different parts of the world also affected Alaska and Yukon territories, curtailing the hydraulic production and shortening the dredging operations. The two new steel dredges which had been built upon the property this season were not finished in time to be of much benefit.

Advance statements indicate a net operating profit from the season's operations of approximately \$1,300,000, as against an estimated profit of \$1,500,000, which, if realized, would have allowed the continuation of dividends at the 8% rate. The value of material handled continues to be satisfactory and up to the estimate, and, although the company did not make the profit expected this season, it is to be remembered that the material which it was unable to mine this year is still in the property, to be taken out in the future.—V. 93, p. 414.

—Accompanying this week's issue of the "Chronicle" subscribers will receive a copy of our annual "Bankers' Convention Supplement," which contains the proceedings of the 1911 Convention of the American Bankers' Association, held at New Orleans last week. This year's number of the "Bankers' Convention Supplement" is particularly interesting on account of the exhaustive discussion of the Aldrich plan of currency reform which received first place in the work of the Convention. Another notable feature of this Supplement is the representative character of its advertisers, which includes the leading banks, trust companies, bankers and brokers of every large city in this country, as well as the prominent banking institutions of every quarter of the world.

—P. B. Hammond, who was formerly connected with the bond house of Barroll & Co., Los Angeles, Cal., has recently purchased a seat on the Los Angeles Stock Exchange and opened offices in the Hellman Building in that city. He will transact a general investment, stock and bond business, making a specialty of Union Oil, Southern California Edison Co., Mexican Petroleum Co. securities and local bank stocks. Mr. Hammond is a son of W. T. S. Hammond, who is so well known in banking circles in Los Angeles, being Cashier of the First National Bank of that city.

—In our advertising columns to-day, Harris, Forbes & Co. and Redmond & Co. of this city are offering for investment \$5,672,000 Norfolk Southern R.R. Co. first and refunding mtge. 50-year 5% bonds, Series A, due 1961. Price 101 and int. Complete circular on request. General details of the offering appear in the advertisement and for further particulars about the property see last week's "Chronicle", p. 1463, and to-day's item in the "General Investment News" Department; also the annual report on a preceding page.

—For purposes of record, William Salomon & Co. and Hallgarten & Co. of this city are to-day publishing in our advertising columns their joint offering of \$8,000,000 of M. Rumely Company 7% cumulative stock, preferred as to both assets and profits. This offering was over-subscribed yesterday. See advertisement on another page for full particulars and also to-day's news item in the "General Investment News" Department.

—The bond department established some time ago by the Commerce Trust Co. of Kansas City, Mo., under the direction of C. E. Keplinger, has experienced a most noteworthy growth. They specialize in high-grade municipal bonds of the Middle West. The institution has a capital of \$1,000,000 and resources of over \$10,000,000. Descriptive circulars will be mailed upon request.

—Colston, Boyce & Co., Baltimore, are prepared to submit bids or offerings for Atlantic Coast Line R.R. convertible 4s. These bonds are convertible at the option of the holder into common stock at \$135 a share at any time up to January 1920, or, if called, at 105 up to 30 days prior to the date of redemption. See advertisement in our last issue.

—O'Connor & Kahler, 49 Wall St., N. Y., and The Rookery, Chicago, are advertising for investment \$250,000 City of Dallas, Tex., 4% school bonds. The firm's advertisement states that the assessed valuation of Dallas is \$89,218,700, while the net debt is only \$1,345,152. Price and further particulars on application.

—C. E. Denison & Co., Boston and Cleveland, are offering city of Cincinnati 4% park bonds. The bonds are eligible for insurance company deposit in Ohio.

—Frederick A. Singleton has become a member of the firm of Wilson, Slade & Co. of Providence, R. I.

The Commercial Times.

COMMERCIAL EPITOME.

Friday Night, Dec. 1 1911.

Despite the fact that conservatism is still everywhere apparent a somewhat larger business is reported, though partly, it is true, at lower prices. Except at the South, where trade suffers from the low price of cotton, collections are reported fair. Large sales of pig iron and steel have been made. The big trade centres of the country send more cheerful reports, partly owing to more seasonable weather.

LARD lower. Packers have been sellers. The easiness in grain and the heavy receipts of hogs have had some influence. Prime Western here 9.50c., refined for Continent 9.70c., South America 10.50c. and Brazil in kegs 11.50c.

DAILY CLOSING PRICES OF LARD FUTURES IN NEW YORK.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Dec. delivery in tes	9.30	9.30	9.20	9.25	Holl.	9.25
Jan. delivery in tes	9.30	9.30	9.20	9.20	day	9.25

DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Dec. delivery in tes	9.07 1/2	9.07 1/2	9.00	9.07 1/2	Holl.	9.00
Jan. delivery in tes	9.27 1/2	9.25	9.17 1/2	9.27 1/2	day	9.22 1/2

PORK has been dull. Mess here \$16 75@17 25, clear \$17 25@19 50. Cut meats in moderate demand; pickled hams 11@11 1/2c.; pickled bellies, clear, 11 1/2@12 1/2c. Beef higher, in fair demand; mess \$12, packet \$13, family \$14 50 and extra India mess \$20 50@21. Tallow lower, with city quoted at 6 1/2c. Stearines 9 1/4@9 3/4c. for oleo and 10@10 1/4c. for New York lard. Butter higher and in good demand. Creamery extras 36 1/2c. Cheese firm. Better grades are being held for higher prices. State, whole milk, fancy, 15 1/4@15 1/2c. Eggs higher, the arrivals continuing light. Trade is quiet. Western firsts 33 to 36c.

OIL.—Linseed oil buyers are only satisfying their immediate needs. Seed receipts continue heavy and prices have shown weakness. City, raw, America seed 76@77c.; boiled 77@78c., Calcutta raw 85c. Cotton-seed has declined. The arrivals of new oil have been large. Winter 5.80 to 6.50c., summer white 5.50@6c., and crude 4.27@4.33c. Coconut easier at 10c. for Cochin and 9 1/4c. for Ceylon. Corn lower at 6@6.05c. Lard quiet. Prime 75@85c. No 1 extra 56@64c. Cod steady. Supplies are short and no new arrivals have been reported. Newfoundland 55@58c. and 52@53c. for domestic.

COFFEE on the spot has been barely steady. Trading is limited to the supplying of immediate demands. Rio No. 7 14 1/2@15c., Santos No. 4, nominally 16 1/4@16 3/4c. Futures have been dull and have shown an easier tendency. There has been some liquidation in December and buying of the distant months. The Brazilian news has not been of a stimulating kind, though the receipts at Santos have been smaller. Rio de Janeiro prices have shown less steadiness. Following are the closing prices:

December	14.30@14.40	April	13.58@13.60	August	13.50@13.51
January	13.96@14.00	May	13.52@13.53	September	13.50@13.51
February	13.86@13.90	June	13.51@13.53	October	13.48@13.50
March	13.64@13.66	July	13.50@13.51	November	13.48@13.50

HOPS have been active and firm at home and abroad. Prime to choice State 55@57c.

SUGAR has been dull and rather weak. Refiners are showing no interest in Cubas at the present prices. Centrifugal 96-degrees test, 5.06c.; muscovado, 89-degrees test, 4.56c.; molasses, 4.31c. European beet quotations have been declining. From Cuba the crop news has been more favorable, owing to recent rains. Refined lower. Granulated 6c.

PETROLEUM has been in fair demand at unchanged prices. Export business has shown some improvement. An engagement for shipment of 90,000 cases from Philadelphia to Greece has been announced. Refined barrels 7.35c.; cases, 8.85c. Gasoline in 100-gallon drums, 18 3/4c.; drums \$7 50 extra. Naphtha, 73 to 76 degrees, in 100-gallon drums, 16 1/4c.; drums \$7 50 extra. Spirits of turpentine 49c. Rosin \$6 30 for strained.

TOBACCO.—Prices have been steady, but it is quite as true that manufacturers adhere to the policy of buying only as their immediate needs dictate. Meantime the supply of binder is said to be rather scanty. A rather better demand has prevailed for Pennsylvania. Also the trade has been larger in Zimmer Spanish. In Sumatra there has been an ordinary trade, while the supply is said to be only moderate. In the main trade is sluggish here, and in Cuba there is no general belief, that the future offers any very certain indications of improvement. Conservatism is still the general policy.

COPPER has at times shown some weakness, speculators having taken profits to some extent; but latterly prices have become steadier. In Europe, according to late advices, the consumption of copper is on an unprecedentedly large scale. Lake 13 1/4@13.30c., electrolytic 13 1/2@13 1/4c. Tin, after showing firmness early in the week, reacted. Spot here 45.30c. Spelter 6.70@6.80c., lead 4.40@4.50c. Pig iron has been in good demand, the low prices have stimulated trade with both the large and the small consumer. Some very large sales are reported. No. 1 Northern \$15@15 25, No. 2 Southern \$14 50@14 75. During the month of November American car shops have booked orders for approximately 50,000 cars and 235 locomotives. The rail orders for the month have been in the neighborhood of 220,000 tons.

COTTON.

Friday Night, Dec. 1 1911.

THE MOVEMENT OF THE CROP as indicated by our telegrams from the South to-night is given below. For the week ending this evening the total receipts have reached 458,293 bales, against 483,606 bales last week and 438,861 bales the previous week, making the total receipts since Sept. 1 1911 5,304,548 bales, against 4,516,041 bales for the same period of 1910, showing an increase since Sept. 1 1911 of 788,507 bales.

Receipts at—	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.	Total.
Galveston	18,062	15,260	40,248	23,155	18,576	15,279	130,580
Texas City	8,742	5,534	11,885	12,831	3,775		42,767
Port Arthur, &c.	10,388					3,948	14,336
New Orleans	13,147	12,411	10,007	15,908	19,234	2,924	73,631
Gulfport						5,600	5,600
Mobile	2,701	2,028	2,325	2,615	1,751	2,165	13,585
Pensacola					8,500		8,500
Jacksonville, &c.	626	526		75	749		1,976
Savannah	13,700	17,413	10,422	16,389	10,237	3,349	71,510
Brunswick			10,500		450		10,950
Charleston	2,693	3,979	3,442	4,450	1,961	2,990	19,495
Georgetown							
Wilmington	4,698	3,129	3,615	3,475	3,150	2,427	20,494
Norfolk	5,628	6,389	7,674	3,289	4,986	4,413	32,379
Newport News, &c.					2,014		2,014
New York							
Boston	496	756	347	1,031	1,103		3,733
Baltimore					6,743		6,743
Philadelphia							
Totals this week	80,881	67,425	100,465	83,198	83,229	43,095	458,293

The following shows the week's total receipts, the total since Sept. 1 1911, and the stocks to-night, compared with last year:

Receipts to Dec. 1.	1911.		1910.		Stock.	
	This week.	Since Sep. 1 1911.	This week.	Since Sep. 1 1910.	1911.	1910.
Galveston	130,580	1,749,661	108,565	1,655,737	395,627	206,341
Texas City	42,767	305,488		106,374	71,293	
Port Arthur, &c.	14,336	78,179	15,461	93,881		
New Orleans	73,631	567,352	101,132	620,554	211,716	186,247
Gulfport	5,600	8,575	3,950	3,950	8,300	3,950
Mobile	13,585	163,606	18,261	130,392	62,700	68,894
Pensacola	8,500	65,583	11,173	34,970		
Jacksonville, &c.	1,976	22,519	1,399	10,734		
Savannah	71,510	1,260,890	71,843	870,349	238,943	173,432
Brunswick	10,950	168,945	16,250	122,081	4,601	26,319
Charleston	19,495	239,551	18,518	200,171	69,429	49,665
Georgetown			368	656		
Wilmington	20,494	279,200	20,216	282,150	16,702	48,856
Norfolk	32,379	332,564	35,431	323,064	63,963	35,344
Newport News, &c.	2,014	4,623	487	2,208		
New York		2,150	427	2,266	104,087	204,609
Boston	3,733	19,346	4,143	10,401	3,590	924
Baltimore	6,743	36,148	5,261	46,093	1,934	16,712
Philadelphia					3,225	2,375
Total	458,293	5,304,548	432,629	4,516,041	1,256,110	1,023,668

In order that comparison may be made with other years, we give below the totals at leading ports for six seasons:

Receipts at—	1911.	1910.	1909.	1908.	1907.	1906.
Galveston	130,580	108,565	85,404	159,853	102,483	144,713
Texas City, &c.	57,103	15,461	9,382	9,565	5,542	20,608
New Orleans	73,631	101,132	35,292	108,600	94,508	100,069
Mobile	13,585	18,261	7,068	18,121	16,621	12,908
Savannah	71,510	71,843	27,024	63,782	64,574	67,848
Brunswick	10,950	16,250	1,240	22,748	8,423	3,987
Charleston, &c.	19,495	18,630	3,704	7,490	6,453	8,534
Wilmington	20,494	20,216	4,219	14,334	20,872	17,350
Norfolk	32,379	35,431	13,767	31,711	24,700	32,089
Newport N., &c.	2,014	487	763		413	746
All others	26,552	26,353	28,526	21,340	22,485	22,657
Total this wk.	458,293	432,629	216,389	457,544	367,134	431,459
Since Sept. 1	5,304,548	4,516,041	4,294,749	4,826,029	3,667,116	4,696,656

The exports for the week ending this evening reach a total of 299,106 bales, of which 99,011 were to Great Britain, 44,592 to France and 135,503 to the rest of the Continent. Below are the exports for the week and since Sept. 1 1911:

Exports from—	Week ending Dec. 1 1911.				From Sept. 1 1911 to Dec. 1 1911.			
	Great Britain.	France.	Continent.	Total.	Great Britain.	France.	Continent.	Total.
Galveston	35,653	11,630	18,285	65,568	649,864	140,232	425,210	1,215,306
Texas City	23,005			23,005	182,257	36,603	15,523	234,383
Pt. Arthur, &c.			10,388	10,388	5,187	20,125	32,470	57,782
New Orleans	24,257		11,939	36,196	214,260	52,481	106,183	372,924
Mobile	2,308			2,308	32,390	12,966	28,684	74,040
Pensacola			8,500	8,500	21,600	17,033	26,950	65,583
Gulfport							275	275
Savannah	21,137		29,296	50,433	276,071	93,705	395,610	765,386
Brunswick	4,500		6,009	10,509	73,332		88,352	161,684
Charleston				11,709			114,090	125,799
Wilmington		26,332	14,241	40,573	53,295	65,318	124,221	242,834
Norfolk					2,991			2,991
Newport News								
New York	100	7,529	12,476	13,305	90,995	37,307	114,533	242,835
Boston	7,426		315	7,741	53,259		3,848	57,107
Baltimore	575	901	11,143	12,619	8,880	3,111	70,172	82,163
Philadelphia			550	550	14,153		7,490	21,643
Portland, Me.								
San Francisco			4,084	4,084			49,488	49,488
Seattle			5,727	5,727			21,198	21,198
Tacoma			2,550	2,550			3,500	3,500
Portland, Ore.								
Pembina								
Detroit								
Total	119,011	44,592	135,503	299,106	1,690,243	478,881	1,627,797	3,796,921
Total 1910	133,186	39,293	104,141	428,593	1,544,722	386,264	1,217,541	3,148,527

In addition to above exports, our telegrams to-night also give us the following amounts of cotton on shipboard, not cleared, at the ports named. We add similar figures for New York.

Dec. 1 at—	On Shipboard, Not Cleared for—						Leaving Stock.
	Great Britain.	France	Germany.	Other Foreign	Coast-wise.	Total.	
New Orleans...	10,426	7,538	4,814	22,185	—	44,963	166,753
Galveston...	57,868	15,684	40,407	37,897	1,927	153,783	241,844
Savannah...	—	—	—	8,150	1,100	9,250	229,693
Charleston...	6,000	—	5,000	—	—	11,000	58,429
Mobile...	582	5,969	4,526	—	1,082	12,159	50,541
Norfolk...	—	—	—	—	25,000	25,000	38,963
New York...	3,000	500	2,000	1,500	—	7,000	97,087
Other ports...	25,000	—	18,000	3,000	—	46,000	63,645
Total 1911...	102,876	29,691	74,747	72,732	29,109	309,155	946,955
Total 1910...	113,889	17,572	62,815	65,749	25,261	285,286	738,382
Total 1909...	65,167	37,178	62,419	19,063	38,844	222,671	597,291

Speculation in cotton for future delivery has been but moderately active at lower prices. The fall in prices is to be ascribed largely to increased offerings from the South, here and in Liverpool, and to some decline in Southern spot quotations. Also, there has still been a noticeable tendency to increase the figures on the crop estimates. Most of them are now above 15,000,000 bales and not a few approximate 16,000,000 bales. The average estimate of 183 members of the New York Cotton Exchange the other day was 15,238,000 bales. The New Orleans "Times-Democrat" makes it 14,835,000 bales, exclusive of linters and re-packs, or, as some would consider it, an actual total of anywhere from 15,200,000 to 15,400,000 bales. One from Texas is 15,845,000 bales. A New Orleans member of the trade thinks it is 15,800,000 bales. And so on. At the same time, it is supposed that there is to be a disparity between production and consumption of some 2,000,000 bales. Meantime, speculation is slow, being confined for the most part to professional operations. Northern spinners still adhere to a waiting policy, their takings being noticeably smaller than those up to this time last year. Some have an idea, too, that the next reports of the ginning will show big totals. Large spot interests at times have been heavy sellers, coincident with reports of declining prices at primary spot markets. Also the reports are persistent that the proportion of low grades in the present crop is unusually large, and that they are likely to prove burdensome to the market later on. Some orders to buy here on a scale-down have latterly, it is said, been withdrawn. It is also reported that the decline in raw cotton has had a rather chilling effect in some branches of the cotton goods market. Manchester, if firm, has been quiet. Spot sales at Liverpool have latterly been only 8,000 bales a day. Spot markets have been reported dull. On the other hand, the Continent has been a heavy buyer in Liverpool and latterly the pressure of the Southern selling in the English market has seemed to relax somewhat. Bombay and the Continent have been buying low grades, it is said, pretty freely in Alabama. Liverpool and the Continent have at times bought with some freedom here. Also the Continent has been a steady buyer of October at 11 to 12 points over July, which is something unusual. In recent years July has sometimes been two cents over October. The Continent has also been buying July, August and September, with a noticeable tendency of August to sell over July, which is also something new. Though the December notices on Tuesday, amounting to 35,000 bales, had a rather depressing effect for the moment, they were soon stopped by leading spot interests. Some think, moreover, that the crop is being overestimated and that the present price amply discounts anything bearish in the situation. The trade as a whole seems to disapprove of the \$50,000,000 scheme for advancing the price of cotton as illogical, to put it mildly, and as really calculated to defeat its own object, an opinion with which some experienced people of the South coincide. To-day prices declined, owing to increased Southern offerings, a decline in Liverpool, lower spot markets, rumors of large ginning and selling by spot houses. New low levels were reached. Spot cotton has been dull and declined 20 points, with middling uplands 9.25c.

The rates on and off middling, as established Nov. 15 1911 by the Revision Committee, at which grades other than middling may be delivered on contract, are as follows:

Fair	c. 1.75 on	Middling	c. Basis	Good mid. tnged.	c. Even
Strict mid. fair	1.50 on	Strict low mid.	0.35 off	Strict mid. tnged.	0.15 off
Middling fair	1.30 on	Low middling	0.80 off	Middling tnged.	0.30 off
Strict good mid.	0.80 on	Strict good ord.	1.40 off	Strict low mid. tng.	0.80 off
Good middling	0.56 on	Good ordinary	2.15 off	Low mid. tnged.	1.90 off
Strict middling	0.30 on	Strict g'd mid. tgd.	0.43 on	Middling tnged.	0.90 off

The official quotation for middling upland cotton in the New York market each day for the past week has been:

Nov. 25 to Dec. 1.—	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling uplands	9.40	9.30	9.30	9.30	H.	9.25

NEW YORK QUOTATIONS FOR 32 YEARS.

1911 c.	9.25	1903 c.	11.95	1895 c.	8.50	1887 c.	10.62
1910	15.15	1902	8.50	1894	5.81	1886	9.19
1909	14.65	1901	8.00	1893	8.00	1885	9.44
1908	9.35	1900	10.25	1892	9.75	1884	10.44
1907	11.80	1899	7.81	1891	8.06	1883	10.56
1906	11.25	1898	5.56	1890	9.44	1882	10.44
1905	11.65	1897	5.81	1889	10.25	1881	12.06
1904	9.00	1896	7.69	1888	9.88	1880	12.00

MARKET AND SALES AT NEW YORK.

	Spot Market Closed.	Futures Market Closed.	SALES.		
			Spot.	Contr. ct.	Total.
Saturday	Quiet, 5 pts. dec.	Barely steady	—	—	—
Monday	Quiet, 10 pts. dec.	Steady	100	—	100
Tuesday	Dull	Very steady	—	—	—
Wednesday	Dull	Easy	—	—	—
Thursday	HOLIDAY	—	—	—	—
Friday	Quiet, 5 pts. dec.	Barely steady	1,000	37,800	38,800
Total	—	—	1,100	37,800	38,900

FUTURES.—The highest, lowest and closing prices at New York the past week have been as follows:

	Nov. 25.	Monday, Nov. 27.	Tuesday, Nov. 28.	Wednesday, Nov. 29.	Thursday, Nov. 30.	Friday, Dec. 1.	Week.
Nov. Range	9.12—9.14	9.03—9.05	9.06—9.09	9.05—9.14	8.97—9.08	8.97—9.08	8.97—9.08
Dec. Range	9.17—9.23	9.06—9.14	9.01—9.12	9.06—9.14	8.97—9.08	8.97—9.08	8.97—9.08
Jan. Range	9.17—9.18	9.08—9.10	9.09—9.10	9.06—9.14	8.97—9.08	8.97—9.08	8.97—9.08
Feb. Range	8.95—9.03	8.81—8.90	8.76—8.86	8.81—8.90	8.67—8.84	8.67—8.84	8.67—8.84
March Range	8.95—8.97	8.82—8.83	8.85—8.86	8.81—8.82	8.67—8.69	8.67—8.69	8.67—8.69
April Range	9.00—9.01	8.87—8.90	8.90—8.92	8.86—8.88	8.72—8.74	8.72—8.74	8.72—8.74
May Range	9.05—9.07	8.92—8.95	8.96—8.97	8.90—8.92	8.74—8.77	8.74—8.77	8.74—8.77
June Range	9.08—9.10	8.97—8.99	8.99—9.01	8.93—8.95	8.77—8.79	8.77—8.79	8.77—8.79
July Range	9.13—9.14	9.08—9.10	9.02—9.03	8.95—8.97	8.81—8.83	8.81—8.83	8.81—8.83
August Range	9.16—9.18	9.12—9.13	9.05—9.07	8.98—9.00	8.85—8.87	8.85—8.87	8.85—8.87
September Range	9.20—9.22	9.08—9.16	9.01—9.11	9.01—9.13	8.88—8.90	8.88—8.90	8.88—8.90
October Range	9.22—9.24	9.10—9.17	9.06—9.11	9.07—9.16	8.93—8.95	8.93—8.95	8.93—8.95
November Range	9.30—9.32	9.16—9.20	9.08—9.14	9.14—9.17	9.00—9.08	9.00—9.08	9.00—9.08
December Range	9.24—9.26	9.13—9.15	9.15—9.16	9.07—9.08	8.97—8.99	8.97—8.99	8.97—8.99
January Range	9.27—9.28	9.17—9.19	9.26—9.28	9.13—9.17	9.04—9.05	9.04—9.05	9.04—9.05
February Range	9.27—9.28	9.17—9.19	9.26—9.28	9.13—9.17	9.04—9.05	9.04—9.05	9.04—9.05
March Range	9.27—9.28	9.17—9.19	9.26—9.28	9.13—9.17	9.04—9.05	9.04—9.05	9.04—9.05
April Range	9.27—9.28	9.17—9.19	9.26—9.28	9.13—9.17	9.04—9.05	9.04—9.05	9.04—9.05
May Range	9.27—9.28	9.17—9.19	9.26—9.28	9.13—9.17	9.04—9.05	9.04—9.05	9.04—9.05
June Range	9.27—9.28	9.17—9.19	9.26—9.28	9.13—9.17	9.04—9.05	9.04—9.05	9.04—9.05
July Range	9.27—9.28	9.17—9.19	9.26—9.28	9.13—9.17	9.04—9.05	9.04—9.05	9.04—9.05
August Range	9.27—9.28	9.17—9.19	9.26—9.28	9.13—9.17	9.04—9.05	9.04—9.05	9.04—9.05
September Range	9.27—9.28	9.17—9.19	9.26—9.28	9.13—9.17	9.04—9.05	9.04—9.05	9.04—9.05
October Range	9.27—9.28	9.17—9.19	9.26—9.28	9.13—9.17	9.04—9.05	9.04—9.05	9.04—9.05
November Range	9.27—9.28	9.17—9.19	9.26—9.28	9.13—9.17	9.04—9.05	9.04—9.05	9.04—9.05
December Range	9.27—9.28	9.17—9.19	9.26—9.28	9.13—9.17	9.04—9.05	9.04—9.05	9.04—9.05

THE VISIBLE SUPPLY OF COTTON to-night, as made up by cable and telegraph, is as follows. Foreign stocks, as well as the afloat, are this week's returns, and consequently all foreign figures are brought down to Thursday evening. But to make the total the complete figures for to-night (Friday), we add the item of exports from the United States, including in it the exports of Friday only.

December 1—	1911.	1910.	1909.	1908.
Stock at Liverpool..... bales.	609,000	639,000	948,000	538,000
Stock at London.....	4,000	3,000	7,000	10,000
Stock at Manchester.....	48,000	50,000	56,000	37,000
Total Great Britain stock.....	661,000	692,000	1,011,000	585,000
Stock at Hamburg.....	9,000	3,000	4,000	14,000
Stock at Bremen.....	241,000	155,000	238,000	326,000
Stock at Havre.....	157,000	161,000	392,000	184,000
Stock at Marseilles.....	2,000	2,000	2,000	4,000
Stock at Barcelona.....	12,000	8,000	8,000	21,000
Stock at Genoa.....	26,000	35,000	48,000	37,000
Stock at Trieste.....	4,000	—	1,000	6,000
Total Continental stocks.....	451,000	364,000	693,000	592,000
Total European stocks.....	1,112,000	1,056,000	1,704,000	1,177,000
India cotton afloat for Europe.....	13,000	80,000	104,000	60,000
Amer. cotton afloat for Europe.....	927,573	785,236	723,589	1,009,462
Egypt, Brazil, &c., afloat for Europe.....	84,000	89,000	63,000	68,000
Stock in Alexandria, Egypt.....	185,000	257,000	212,000	233,000
Stock in Bombay, India.....	226,000	205,000	295,000	174,000
Stock in U. S. ports.....	1,256,110	1,023,668	819,962	1,098,673
Stock in U. S. interior towns.....	866,581	777,378	736,416	846,344
U. S. exports to-day.....	35,770	50,857	17,507	75,813
Total visible supply.....	4,706,034	4,324,139	4,675,474	4,742,292

Of the above, totals of American and other descriptions are as follows:

American—				
Liverpool stock..... bales.	524,000	551,000	862,000	437,000
Manchester stock.....	37,000	43,000	49,000	32,000
Continental stock.....	418,000	339,000	669,000	544,000
American afloat for Europe.....	927,573	785,236	723,589	1,009,462
U. S. port stocks.....	1,256,110	1,023,668	819,962	1,098,673
U. S. interior stocks.....	866,581	777,378	736,416	846,344
U. S. exports to-day.....	35,770	50,857	17,507	75,813
Total American.....	4,065,034	3,570,139	3,877,474	4,043,292
East India, Brazil, &c.—				
Liverpool stock.....	85,000	38,000	86,000	101,000
London stock.....	4,000	3,000	7,000	10,000
Manchester stock.....	11,000	7,000	7,000	5,000
Continental stock.....	33,000	25,000	24,000	48,000
India afloat for Europe.....	13,000	80,000	104,000	60,000
Egypt, Brazil, &c., afloat.....	84,000	89,000	63,000	68,000
Stock in Alexandria, Egypt.....	185,000	257,000	212,000	233,000
Stock in Bombay, India.....	226,000	205,000	295,000	174,000
Total East India, &c.....	641,000	754,000	798,000	699,000
Total American.....	4,065,034	3,570,139	3,877,474	4,043,292

Total visible supply.....	4,706,034	4,324,139	4,675,474	4,742,292
Middling Upland, Liverpool.....	5.08d.	8.06d.	7.72d.	4.97d.
Middling Upland, New York.....	9.25c.	15.00c.	10.75c.	9.35c.
Egypt, Good Brown, Liverpool.....	10d.	11-16d.	12-16d.	9-1-16d.
Peruvian, Rough Good, Liverpool.....	9.50d.	10.75d.	9.25d.	7.90d.
Braoch, Fine, Liverpool.....	5-3-8d.	7-9-16d.	7-14d.	4-1-16d.
Tinnevely, Good, Liverpool.....	5-5-16d.	7-14d.	6-15-16d.	4-11-16d.

Continental imports for the past week have been 228,000 bales.

The above figures for 1911 show an increase over last week of 243,693 bales, a gain of 381,895 bales over 1910, an excess of 30,560 bales over 1909 and a loss of 36,258 bales from 1908.

AT THE INTERIOR TOWNS the movement—that is, the receipts for the week and since Sept. 1, the shipments for the week and the stocks to-night, and the same items for the corresponding period for the previous year—is set out in detail below.

Towns.	Movement to December 2 1910.				Movement to December 1 1911.			
	Receipts.		Shipments.		Receipts.		Shipments.	
	Week.	Season.	Week.	Stocks Dec. 3.	Week.	Season.	Week.	Stocks Dec. 1.
Eufaula, Ala.	1,012	14,867	1,238	4,425	700	17,430	550	6,100
Montgomery, Ala.	7,279	95,817	4,187	34,980	6,056	123,072	4,211	49,939
Selma, Ala.	6,536	98,306	4,948	16,840	6,175	97,955	5,171	17,730
Helena, Ark.	5,188	36,001	1,800	15,521	3,366	41,209	3,322	19,333
Little Rock, Ark.	12,185	15,350	1,800	42,943	11,005	102,432	9,871	40,687
Albany, Ga.	75	20,976	75	1,475	3,000	25,631	250	3,000
Athens, Ga.	4,413	69,593	4,160	17,150	5,006	98,591	4,930	31,884
Atlanta, Ga.	12,626	118,188	13,072	18,807	12,294	157,245	10,740	21,277
Augusta, Ga.	15,137	231,238	5,593	91,320	309,281	47,879	18,987	77,921
Columbus, Ga.	3,548	40,428	1,250	18,730	2,699	47,879	1,490	27,212
Macon, Ga.	2,575	39,776	2,575	9,049	3,487	50,424	2,148	9,859
Rome, Ga.	3,897	28,246	3,090	4,497	3,229	2,854	2,854	6,903
Louisville, Ky.	2,922	225	225	120	2,926	2,926	258	190
Shreveport, La.	5,921	68,218	9,094	25,046	6,149	82,541	5,735	31,690
Columbus, Miss.	2,661	7,282	2,661	7,282	2,754	29,362	2,665	8,068
Greenville, Miss.	1,307	23,989	1,307	23,989	2,547	29,362	1,689	16,907
Greenwood, Miss.	4,400	19,335	4,400	19,335	5,105	53,414	3,879	29,403
Meridian, Miss.	5,204	16,553	5,204	16,553	6,059	48,405	5,659	22,294
Natchez, Miss.	8,327	570	8,327	570	7,771	12,355	1,441	12,523
Vicksburg, Miss.	1,931	13,725	1,931	13,725	2,168	19,913	1,441	12,523
Yazoo City, Miss.	2,343	15,141	2,343	15,141	2,083	20,976	986	18,633
St. Louis, Mo.	31,345	18,291	31,345	18,291	26,796	176,520	24,979	22,760
Railroad, Mo.	195,571	6,544	195,571	6,544	176,520	176,520	176,520	176,520
North Carolina, S. C.	13,638	71,614	13,638	71,614	59,182	10,273	10,273	9,950
South Carolina, S. C.	774	10,459	774	10,459	436,221	45,496	45,496	169,967
Tennessee, S. C.	75,623	475,849	75,623	475,849	1,476	1,476	1,476	1,476
Texas, S. C.	209	7,738	209	7,738	241	11,047	205	4,790
Memphis, Tenn.	2,815	32,172	2,815	32,172	3,194	3,194	3,194	3,194
Birmingham, Ala.	5,000	51,400	5,000	51,400	4,241	65,262	4,741	8,500
Dallas, Tex.	1,754	29,086	1,754	29,086	3,630	3,630	3,630	3,630
Honey Grove, Tex.	94,569	1,405,362	94,569	1,405,362	12,310	1,610,436	109,828	165,245
Houston, Tex.	92,962	82,874	92,962	82,874	6,754	92,962	7,149	7,067
Paris, Tex.	340,964	3,569,587	340,964	3,569,587	335,458	3,338,283	296,808	866,581
Total, 33 towns	340,964	3,569,587	340,964	3,569,587	335,458	3,338,283	296,808	866,581

The above totals show that the interior stocks have increased during the week 38,650 bales and are to-night 89,203 bales more than at the same time last year. The receipts at all towns have been 11,506 bales less than the same week last year.

OVERLAND MOVEMENT FOR THE WEEK AND SINCE SEPT. 1.—We give below a statement showing the overland movement for the week and since Sept. 1, as made up from telegraphic reports Friday night. The results for the week and since Sept. 1 in the last two years are as follows:

December 1—	1911		1910	
	Shipped—	Since Sept. 1.	Shipped—	Since Sept. 1.
Via St. Louis	24,979	156,409	31,345	177,930
Via Cairo	3,200	20,856	13,134	106,532
Via Rock Island	225	1,238	2,372	16,947
Via Louisville	5,308	43,732	6,592	44,282
Via Cincinnati	3,418	24,187	4,117	28,043
Via Virginia points	8,024	57,742	7,144	60,807
Via other routes, &c.	7,287	80,294	9,418	60,978
Total gross overland	52,441	384,458	74,122	495,519
Deduct Shipments—				
Overland to N. Y., Boston, &c.	10,476	57,644	9,831	58,760
Between interior towns	4,823	15,269	1,020	13,147
Inland, &c., from South	1,145	14,261	1,847	20,724
Total to be deducted	16,444	87,174	12,698	92,631
Leaving total net overland*	35,997	297,284	61,424	403,088

The foregoing shows the week's net overland movement has been 35,997 bales, against 61,424 bales for the week last year, and that for the season to date the aggregate net overland exhibits a decrease from a year ago of 105,804 bales.

In Sight and Spinners' Takings.	1911		1910	
	Week.	Since Sept. 1.	Week.	Since Sept. 1.
Receipts at ports to Dec. 1	458,293	5,304,548	432,629	4,516,041
Net overland to Dec. 1	35,997	297,284	61,424	403,088
Southern consumption to Dec. 1	53,000	582,000	51,000	558,000
Total marketed	547,290	6,183,832	545,053	5,477,129
Interior stocks in excess	38,650	766,144	65,499	726,600
Came into sight during week	585,940		610,552	
Total in sight Dec. 1		6,949,976		6,203,729
Northern spinners' takings to Dec. 1	84,974	779,284	87,271	949,983

Movement into sight in previous years:

Week—	Bales.	Since Sept. 1—	Bales.
1909—Dec. 3	356,066	1909—Dec. 3	5,992,894
1908—Dec. 5	602,712	1908—Dec. 5	6,657,410
1907—Dec. 6	471,958	1907—Dec. 6	4,970,046
1906—Dec. 7	574,885	1906—Dec. 7	6,263,857

QUOTATIONS FOR MIDDLING COTTON AT OTHER MARKETS.—Below are the closing quotations of middling cotton at Southern and other principal cotton markets for each day of the week.

Week ending December 1.	Closing Quotations for Middling Cotton on—					
	Sat'day.	Monday.	Tuesday.	Wed'day.	Thurs'd'y.	Friday.
Galveston	9 3/4	9 1/4	9 1/4	9 1/4		9 3/4
New Orleans	9 3/4	9 3/4	9 3/4	9 3/4		9 3-16
Mobile	9 3-16	9 3-16	9 1-16	9 1-16		9
Savannah	9 1/4	8 15-16	8 15-16	8 15-16		8 15-16
Charleston	9 1/4	9	9	9		8 3/4
Wilmington	9	8 3/4	8 3/4	8 3/4		8 3/4
Norfolk	9 3-16	9 1-16	9	9 1-16	HOLI-DAY.	9
Baltimore	9 3/4	9 3/4	9 3/4	9 3/4		9 1/4
Philadelphia	9.65	9.55	9.55	9.55		9 50
Augusta	9 3/4	9 3-16	9 3/4	9 3-16		9 3/4
Memphis	9 1/4	9 1/4	9 1/4	9 1/4		9 1/4
St. Louis	9 3/4	9 3/4	9 3/4	9 3/4		9 3/4
Houston	9 7-16	9 7-16	9 7-16	9 7-16		9 1/4
Little Rock	9 1/4	9 1/4	9	9		9

NEW ORLEANS OPTION MARKET.—The highest, lowest and closing quotations for leading options in the New Orleans cotton market for the past week have been as follows:

	Sat'day, Nov. 25.	Monday, Nov. 27.	Tuesday, Nov. 28.	Wed'day, Nov. 29.	Thurs'd'y, Nov. 30.	Friday, Dec. 1.
Nov.—						
Range	— @ —	— @ —	— @ —	— @ —	— @ —	— @ —
Closing	9.06-.07	8.96-.97	8.99-.00	— @ —	— @ —	— @ —
December—						
Range	9.06-.17	8.96-.04	8.91-.00	8.96-.02		8.83-.97
Closing	9.06-.07	8.96-.97	8.99-.00	8.95-.96		8.83-.84
January—						
Range	9.04-.15	8.93-.02	8.87-.98	8.92-.00		8.79-.91
Closing	9.04-.05	8.94-.95	8.96-.97	8.92-.93		8.79-.80
February—						
Range	— @ —	— @ —	8.96 —	— @ —		— @ —
Closing	9.06-.08	8.96-.98	8.98-.99	8.95-.97		8.82-.84
March—						
Range	9.12-.22	9.01-.09	8.96-.05	9.00-.08		8.86-.00
Closing	9.12-.13	9.02-.03	9.04-.05	9.00-.01		8.86-.87
April—						
Range	— @ —	— @ —	— @ —	— @ —	HOLI-DAY.	— @ —
Closing	9.14-.16	9.04-.06	9.07-.08	9.03-.05		8.89-.91
May—						
Range	9.21-.31	9.09-.18	9.04-.14	9.08-.16		8.93-.06
Closing	9.21-.22	9.10-.11	9.13-.14	9.08-.09		8.94-.95
June—						
Range	— @ —	— @ —	— @ —	— @ —		— @ —
Closing	9.23-.25	9.12-.14	9.16-.18	9.11-.13		8.97-.98
July—						
Range	9.30-.42	9.19-.26	9.15-.21	9.19-.26		9.04-.18
Closing	9.30-.31	9.19-.20	9.23-.25	9.19-.20		9.05-.06
August—						
Range	— @ .34	— @ —	9.15 —	— @ —		— @ —
Closing	9.25 —	9.16 —	9.20 —	9.14-.16		8.89-.00
September—						
Range	— @ —	— @ —	— @ —	— @ —		— @ —
Closing	9.29 —	9.19-.20	9.19 —	9.17-.19		9.03-.05
Tone—	Easy.	Unchang.	Steady.	Steady.		Steady.
Options	Ba'l'v s'y	Steady.	Steady.	Steady.		Steady.

WEATHER REPORTS BY TELEGRAPH.—Our reports from the South this evening by telegraph indicate that cold weather has interfered with the gathering of the crop in many sections. Marketing continues fairly free, however.

Galveston, Tex.—Freezing temperatures have occurred all over Texas and picking is progressing under great difficulties. Cold weather will greatly benefit soil. There has been rain on two days during the week, the rainfall being eighty-eight hundredths of an inch. Average thermometer 48, highest 70, lowest 26.

Abilene, Tex.—It has rained on one day during the week, the rainfall reaching twenty-eight hundredths of an inch. Lowest thermometer 14.

Palestine, Tex.—Rain has fallen on two days during the week, the rainfall being six hundredths of an inch. Minimum thermometer 22.

San Antonio, Tex.—Dry all week. Minimum temperature 24.

Taylor, Tex.—Rain on one day of the week, rainfall being one hundredth of an inch. Minimum thermometer 20.

New Orleans, La.—The week's rainfall has been two inches and fifty-two hundredths on one day. The thermometer averaged 45.

Vicksburg, Miss.—We have had rain one one day the past week to the extent of forty-seven hundredths of an inch. The thermometer has averaged 40, the highest being 64 and the lowest 23.

Helena, Ark.—Weather too cold. Considerable cotton still in the fields. It has rained on one day of the week, the precipitation reaching forty-one hundredths of an inch. The thermometer has averaged 36, ranging from 19 to 60. Month's rainfall 3.10 inches.

Little Rock, Ark.—We have had light rain on one day of the week, to the extent of eleven hundredths of an inch. The thermometer has averaged 41, the highest being 62 and the lowest 20.

Memphis, Tenn.—It has rained on two days during the week, the rainfall reaching twenty-eight hundredths of an inch. Average thermometer 37, highest 61, and lowest 20.

Montgomery, Ala.—It has rained on two days of the week, the rainfall being one inch and sixteen hundredths. The thermometer has averaged 43, the highest being 62 and the lowest 25.

Selma, Ala.—It has rained on one day of the week, the precipitation being ninety hundredths of an inch. Average thermometer 37, highest 55, lowest 20.

Mobile, Ala.—It has rained on one day of the week, the precipitation being three inches and twenty-three hundredths. Average thermometer 46, highest 67, lowest 26.

Savannah, Ga.—Rainfall for the week sixty-nine hundredths of an inch, on three days. Average thermometer 50, highest 72, lowest 28.

Charlotte, N. C.—Rain has fallen on two days during the week, the rainfall being sixty hundredths of an inch. Average thermometer 44, highest 64, lowest 25.

Charleston, S. C.—We have had rain on two days during the week, the rainfall being ninety-three hundredths of an inch. Average thermometer 48, highest 66, lowest 29.

The following statement we have also received by telegraph, showing the height of rivers at the points named at 8 a. m. of the dates given.

		Dec. 1 1911.	Dec. 2 1910.
		Feet.	Feet.
New Orleans	Above zero of gauge.	5.2	2.6
Memphis	Above zero of gauge.	16.3	3.6
Nashville	Above zero of gauge.	9.7	11.5
Shreveport	Below zero of gauge.	3.5	4.8
Vicksburg	Above zero of gauge.	18.2	1.4

RECEIPTS FROM THE PLANTATIONS.—The following table indicates the actual movement each week from the plantations. The figures do not include overland receipts nor Southern consumption; they are simply a statement of the weekly movement from the plantations of that part of the crop which finally reaches the market through the outports.

Week ending	Receipts at Ports.			Stock at Interior Towns.			Receipts from Plantations.		
	1911.	1910.	1909.	1911.	1910.	1909.	1911.	1910.	1909.
Oct. 13	431,129	400,089	442,783	429,139	290,714	401,231	507,565	467,271	522,305
" 20	473,532	451,952	450,899	503,157	390,627	474,240	547,550	551,865	523,908
" 27	487,092	390,831	420,071	583,506	471,775	530,365	587,441	471,979	476,196
Nov. 3	487,955	381,530	401,448	664,364	542,929	565,685	568,813	452,684	436,767
" 10	449,418	375,734	367,454	740,866	608,000	631,918	525,920	440,825	433,688
" 17	438,861	413,466	278,293	782,156	659,243	663,704	480,151	464,709	310,079
" 24	483,606	393,380	204,284	827,931	711,879	897,759	529,381	446,016	238,339
Dec. 1	458,293	432,629	216,389	866,581	777,378	736,416	496,843	498,128	255,046

The above statement shows: 1.—That the total receipts from the plantations since Sept. 1 1911 are 6,070,692 bales; in 1910 were 5,242,641 bales; in 1909 were 4,948,002 bales.

2.—That although the receipts at the outports the past week were 458,293 bales, the actual movement from plantations was 496,943 bales, the balance going to increase stocks at interior towns. Last year receipts from the plantations for the week were 498,128 bales and for 1909 they were 255,046 bales.

NEW YORK COTTON EXCHANGE CROP GUESS.—The average of the guesses of 183 members of the New York Cotton Exchange places the size of this season's cotton crop at 15,238,000 bales. The highest guess made by any member was 17,000,000 bales and the lowest 14,250,000 bales.

INDIA COTTON MOVEMENT FROM ALL PORTS.—The receipts of cotton from Bombay and the shipments from all India ports for the week and for the season from Sept. 1 for three years have been as follows:

November 30.	1911.		1910.		1909.	
	Week.	Since Sept. 1.	Week.	Since Sept. 1.	Week.	Since Sept. 1.
Bombay	54,000	1,000	70,000	233,000	107,000	469,000

Exports from—	For the Week.				Since Sept. 1.			
	Great Britain.	Continent.	Japan & China.	Total.	Great Britain.	Continent.	Japan & China.	Total.
Bombay—								
1911	—	1,000	—	1,000	—	24,000	47,000	71,000
1910	2,000	14,000	1,000	17,000	5,000	152,000	62,000	219,000
1909	2,000	45,000	19,000	66,000	6,000	102,000	86,000	194,000
Calcutta—								
1911	—	—	—	—	1,000	6,000	—	7,000
1910	—	—	—	—	2,000	5,000	—	7,000
1909	—	1,000	—	1,000	2,000	7,000	—	9,000
Madras—								
1911	—	—	—	—	2,000	5,000	—	7,000
1910	—	2,000	—	2,000	1,000	7,000	—	8,000
1909	—	—	—	—	3,000	4,000	1,000	8,000
All others								
1911	—	3,000	—	3,000	4,000	38,000	1,000	43,000
1910	2,000	—	—	2,000	10,000	28,000	—	38,000
1909	1,000	1,000	—	2,000	10,000	35,000	—	45,000
Total all—								
1911	—	4,000	—	4,000	7,000	73,000	48,000	128,000
1910	4,000	16,000	1,000	21,000	18,000	192,000	62,000	272,000
1909	3,000	47,000	19,000	69,000	21,000	148,000	87,000	256,000

According to the foregoing, Bombay appears to show a decrease compared with last year in the week's receipts of 17,000 bales. Exports from all India ports record a loss of 17,000 bales during the week and since Sept. 1 show an decrease of 144,000 bales.

ALEXANDRIA RECEIPTS AND SHIPMENTS OF COTTON.—Through arrangements made with Messrs. Choremi, Benachi & Co. of Boston and Alexandria, we now receive a weekly cable of the movements of cotton at Alexandria, Egypt. The following are the receipts and shipments for the past week and for the corresponding week of the previous two years:

Alexandria, Egypt, November 30.		1910-11.		1909-10.		1908-09.	
Receipts (cantars)—							
This week	—	420,000	—	450,000	—	430,000	—
Since Sept. 1	—	2,715,796	—	4,019,031	—	3,113,524	—
Exports (bales)—							
This Week.	—	—	—	—	—	—	—
Since Sept. 1.	—	—	—	—	—	—	—
To Liverpool	11,750	58,340	12,750	98,051	5,250	62,843	—
To Manchester	15,500	66,010	9,000	82,579	8,750	50,099	—
To Continent and India	10,000	77,453	8,500	100,986	6,250	93,281	—
To America	1,000	6,683	5,750	30,548	5,250	21,699	—
Total exports	38,250	208,486	36,000	312,164	25,500	227,922	—

This statement shows that the receipts for the week were 420,000 cantars and the foreign shipments 38,250 bales.

WORLD'S SUPPLY AND TAKINGS OF COTTON.—The following brief but comprehensive statement indicates at a glance the world's supply of cotton for the week and since Sept. 1 for the last two seasons, from all sources from which statistics are obtainable, also the takings or amounts gone out of sight, for the like period.

Cotton Takings. Week and Season.	1911.		1910.	
	Week.	Season.	Week.	Season.
Visible supply Nov. 24	4,462,341	—	4,075,271	—
Visible supply Sept. 1	—	1,603,418	—	1,495,514
American in sight to Dec. 1	585,940	6,949,976	610,552	6,203,729
Bombay receipts to Nov. 30	54,000	212,000	70,000	293,000
Other India ship'ts to Nov. 30	3,000	57,000	4,000	53,000
Alexandria receipts to Nov. 29	56,000	362,100	60,000	536,000
Other supply to Nov. 21	8,000	94,000	7,000	82,000
Total supply	5,169,281	9,278,494	4,826,823	8,663,243
Deduct—				
Visible supply Dec. 1	4,706,034	4,706,034	4,324,139	4,324,139
Total takings to Dec. 1	463,247	4,572,460	502,684	4,339,104
Of which American	376,247	3,737,360	392,684	3,427,104
Of which other	87,000	835,100	110,000	912,000

* Embraces receipts in Europe from Brazil, Smyrna, West Indies, &c.

FALL RIVER MILL DIVIDENDS.—On page 1510 will be found the statement of Fall River mill dividends for the fourth quarter and full year of 1911.

MANCHESTER MARKET.—Our report received by cable to-night from Manchester states that the market continues firm for both yarns and shirtings. Manufacturers are generally well under contract. We give the prices for to-day below and leave those for previous weeks of this and last year for comparison.

	1911.					1910.				
	32s Cop	8 1/4 lbs. Shrt-	Cot'n	32s Cop	8 1/4 lbs. Shrt-	32s Cop	8 1/4 lbs. Shrt-	Cot'n	32s Cop	8 1/4 lbs. Shrt-
	Twist.	ings, common	Mid.	Twist.	ings, common	Twist.	ings, common	Mid.	Twist.	ings, common
	d.	d. s. d.	d.	d.	d. s. d.	d.	d. s. d.	d.	d.	d. s. d.
Oct. 20	8 1/4 @ 9 1/2	5 6 @ 10 6	5.29 11	@ 11 1/2	5 6 @ 10 9	7.98				
" 27	8 1/4 @ 9 1/2	5 5 1/2 @ 10 4 1/2	5.17 10 1/2	@ 11 1/2	5 6 1/2 @ 10 8	7.76				
Nov. 3	8 1/4 @ 9 1/2	5 5 @ 10 4	5.17 10 13-16	@ 11 1/2	5 6 @ 10 7 1/2	7.81				
" 10	8 1/4 @ 9 1/2	5 4 1/2 @ 10 4	5.25 10 15-16	@ 11 1/2	5 7 @ 10 9	8.00				
" 17	8 1/4 @ 9 1/2	5 4 1/2 @ 10 4	5.19 11	@ 11 1/2	5 7 @ 10 10	7.85				
" 24	8 1/4 @ 9 1/2	5 4 1/2 @ 10 4	5.22 11 1/2	@ 12	5 7 1/2 @ 10 10 1/2	8.10				
Dec. 1	8 1/4 @ 9 1/2	5 4 1/2 @ 10 4	5.08 11 3-16	@ 12 1/2	5 8 @ 10 11	8.06				

SHIPPING NEWS.—As shown on a previous page, the exports of cotton from the United States the past week have reached 299,106 bales. The shipments in detail, as made up from mail and telegraphic returns, are as follows:

		Total bales.
NEW YORK—To Hull—Nov. 28—Francisco, 100		100
To Havre—Nov. 25—Rochambeau, 3,400	Nov. 29—Mexico,	5,729
2,169 upland, 130 Sea Island, 30 foreign		4,544
To Bremen—Nov. 29—Friedrich, 4,544		1,248
To Antwerp—Nov. 24—Vaderland, 548	Nov. 27—Michigan,	600
700		100
To Libau—Nov. 25—Kursk, 600		1,100
To Reval—Nov. 25—Kursk, 100		300
To Naples—Nov. 23—San Giovanni, 1,000	Nov. 24—Duca	1,044
d'Aosta, 100		3,540
To Trieste—Nov. 29—Ivernia, 300		21,743
To Bombay—Nov. 29—Swazi, 1,044		13,910
To Japan—Nov. 23—Indradeo, 3,540		11,630
GALVESTON—To Liverpool—Nov. 24—Canadian, 21,743		10,756
To Manchester—Nov. 24—Esperanza de Larrinaga, 13,910		4,687
To Havre—Nov. 24—Reliance, 11,630		2,842
To Bremen—Nov. 24—St. Stephen, 10,756		8,202
To Antwerp—Nov. 27—Penrith Castle, 4,687		23,005
To Ghent—Nov. 27—Penrith Castle, 2,842		10,388
TEXAS CITY—To Liverpool—Nov. 27—Dictator, 8,202	Nov.	3,398
28—Inkum, 14,803		24,257
PORT ARTHUR—To Bremen—Nov. 25—Sandsend, 10,388		3,303
NEW ORLEANS—To Liverpool—Nov. 27—Jamalean, 3,398		3,636
Dec. 1—Victorian, 20,859		2,308
To Bremen—Nov. 28—Tudor Prince, 8,303		8,500
To Antwerp—Nov. 30—Raeburn, 3,636		8,403
MOBILE—To Liverpool—Nov. 24—Jamalean, 2,308		2,861
PENSACOLA—To Bremen—Nov. 30—Venus, 8,500		8,326
SAVANNAH—To Liverpool—Nov. 25—Moorlands, 8,403; Cata-		17,357
lona, 4,458		1,052
To Manchester—Nov. 27—Tabaristan, 8,326		60
To Bremen—Nov. 28—Bankdale, 11,427	Nov. 29—Helve-	1,751
tia, 5,930		5,576
To Reval—Nov. 28—Bankdale, 1,052		3,500
To Pasages—Nov. 25—Catalone, 60		4,500
To Bombay—Nov. 25—Catalone, 1,651; Moorlands, 100		6,009
To Barcelona—Nov. 24—Arciduca Stefano, 5,576		26,332
To Genoa—Nov. 24—Arciduca Stefano, 3,500		14,241
BRUNSWICK—To Manchester—Nov. 27—Memphian, 4,500		6,319
To Bremen—Nov. 29—Irishman, 6,009		1,107
WILMINGTON—To Havre—Nov. 30—Beechley, 12,482; Benpark,		200
13,850		115
To Bremen—Nov. 24—Auchenerea, 14,241		575
BOSTON—To Liverpool—Nov. 24—Winfredlan, 2,992	Nov. 28	901
—Georgie, 3,327		11,143
To Manchester—Nov. 27—Bostonian, 1,107		300
To Genoa—Nov. 24—Romanic, 200		250
To Yarmouth—Nov. 24—Boston, 115		4,084
BALTIMORE—To Liverpool—Nov. 24—Ulstermore, 575		150
To Havre—Nov. 23—Philadelphia, 901		5,577
To Bremen—Nov. 23—Breslau, 4,732	Nov. 30—Rhein, 6,411	2,450
PHILADELPHIA—To Rotterdam—Nov. 28—Sloterdijk, 300		100
To Antwerp—Nov. 23—Marquette, 250		
SAN FRANCISCO—To Japan—Nov. 29—Persia, 4,084		
SEATTLE—To China—Nov. 25—Canada Maru, 150		
To Japan—Nov. 25—Canada Maru, 5,577		
TACOMA—To Japan—Nov. 25—Harlesden, 2,450		
To Manila—Nov. 25—Harlesden, 100		
Total		299,106

The particulars of the foregoing shipments for the week, arranged in our usual form, are as follows:

	Great Britain.	French ports.	Germany.	Other Europe.	Mexico.	Japan.	Total.
New York	100	5,729	4,544	1,948	1,400	1,044	18,305
Galveston	35,653	11,630	10,756	7,529			65,568
Texas City	23,005						23,005
Port Arthur			10,388				10,388
New Orleans	24,257		8,303	3,636			36,196
Mobile	2,308						2,308
Pensacola			8,500				8,500
Savannah	21,187		17,357	1,052	9,136	1,751	50,483
Brunswick	4,500		6,009				10,509
Wilmington		26,332	14,241				40,573
Boston	7,426				200	115	7,741
Baltimore	575	901	11,143				12,619
Philadelphia				550			550
San Francisco						4,084	4,084
Seattle					150	5,577	5,727
Tacoma					100	2,450	2,550
Total	119,011	44,592	91,241	14,715	10,736	3,160	156,51

The exports to Japan since Sept. 1 have been 71,700 bales from Pacific ports and 4,990 bales from New York.

Cotton freights at New York the past week have been as follows, quotations being in cents per 100 lbs.:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Liverpool	25	25	25	25	25	25
Manchester	25	25	25	25	25	25
Havre	35	35	35	35	35	35
Bremen	25	25	25	25	25	25
Hamburg	27 1/2	27 1/2	27 1/2	27 1/2	27 1/2	27 1/2
Antwerp	30	30	30	30	30	30
Ghent, via Antwerp	36	36	36	36	36	36
Reval	45	45	45	45	45	45
Gothenburg						
Barcelona	35	35	35	35	35	35
Genoa	35-37 1/2	35-37 1/2	35-37 1/2	35-37 1/2	35-37 1/2	35-37 1/2
Trieste	42	42	42	42	42	42
Japan	55	55	55	55	55	55

LIVERPOOL.—By cable from Liverpool we have the following statement of the week's sales, stocks, &c., at that port:

	Nov. 10.	Nov. 17.	Nov. 24.	Dec. 1.
Sales of the week	50,000	42,000	44,000	44,000
Of which speculators took	4,000	1,000	4,000	2,000
Of which exporters took	4,000	4,000	2,000	5,000
Sales, American	44,000	35,000	35,000	36,000
Actual export	7,000	16,000	7,000	8,000
Forwarded	134,000	105,000	108,000	112,000
Total stock—Estimated	470,000	483,000	548,000	609,000
Of which American	375,000	391,000	458,000	524,000
Total imports of the week	207,000	133,000	175,000	180,000
Of which American	194,000	118,000	153,000	164,000
Amount afloat	408,000	478,000	478,000	442,000
Of which American	358,000	414,000	409,000	371,000

The tone of the Liverpool market for spots and futures each day of the past week and the daily closing prices of spot cotton have been as follows:

Spot.	Saturday.	Monday.	Tuesday.	Wednesday.	Thursday.	Friday.
Market, 12:15 P. M.	Quiet.	Fair business doing.	Fair business doing.	Fair business doing.	Quiet.	Quiet.
Mid. Upl.-ds	5.19	5.13	5.09	5.11	5.13	5.08
Sales	6,000	8,000	8,000	8,000	6,000	5,000
Spec. & exp.	500	500	1,500	2,000	1,000	300
Futures.	Quiet at 2 points decline.	Barely st'y at 5@6 pts. decline.	Steady at 1 point decline.	Steady at 4 points advance.	Steady at 4 points decline.	Quiet at generally 1/2 pt. dec.
Market, 4 P. M.	Steady at 1 pt. dec. to 1/2 pt. adv.	Steady at 6@9 pts. decline.	Steady at 2@4 pts. decline.	Steady at 5 1/2@6 1/2 pts. adv.	St'y, unch. to 2 1/2 pts. decline.	Quiet at 2@4 pts. decline.

The prices for futures at Liverpool for each day are given below. Prices are on the basis of upland, good or ordinary clause, unless otherwise stated.

The prices are given in pence and 100ths. Thus, 5 07 means 5 07-100d.

Nov. 25 to Dec. 1.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
	12 1/4 p.m.	12 1/4 p.m.	12 1/4 p.m.	12 1/4 p.m.	12 1/4 p.m.	12 1/4 p.m.
November	5 07 1/2	00 1/2	99	01 1/2	02	
Nov.-Dec.	4 99	91	89	86	91 1/2	88
Dec.-Jan.	4 97 1/2	89 1/2	88	91	91	88 1/2
Jan.-Feb.	4 98 1/2	91	90	89 1/2	93	90
Feb.-Mch.	5 00	92 1/2	91 1/2	91	88 1/2	95 1/2
Mch.-Apr.	5 01	94	93	92 1/2	90	96 1/2
Apr.-May	5 03	96	95 1/2	95	92 1/2	99
May-June	5 05	98	97 1/2	97	94 1/2	01
June-July	5 07	00	99 1/2	99	96 1/2	03
July-Aug.	5 08	01 1/2	01	00 1/2	98	04
Aug.-Sep.	5 07	01	00	00	98	03 1/2
Sept.-Oct.	5 06	00 1/2	99 1/2	99 1/2	97	03
Oct.-Nov.	5 05	00	99	99	96 1/2	02 1/2

BREADSTUFFS.

Friday Night, Dec. 1 1911.

Flour has continued in only moderate demand at the best, and values have been more or less unsettled by the decline in the price of wheat. Moreover, at the Northwest trade conditions are far from satisfactory. Some of the mills may be doing a fair business and in isolated instances have even filled rather large orders, but, taking the situation as a whole, it is not cheerful. It is noteworthy, too, that the flour traffic of the railroads is poor. This is no bad test of the condition of trade. It is below the average of the season and plainly reflects the indifference of the buyers. To all appearance this does not suggest any material increase in the flour business in the near future, especially should the wheat market show any protracted weakness. Some Northwestern mills last week did not book as many orders as they

have taken on single days within a month. The output at Minneapolis, Duluth and Milwaukee reached a total of 384,535 barrels, against 356,475 in the previous week and 401,125 last year.

Wheat declined under the strain of large Northwestern receipts and steadily increasing visible supplies at home and abroad. Weakness of cash prices at the Northwest at times has been a factor. So has better weather in Argentina and the growing conviction that the crop in that country is large and that it will have the greatest export surplus that has been seen for years past. From most parts of East India the crop advices are rather favorable, whatever may be said about impending famine in a portion of Western India. Crop conditions are favorable, too, in Germany, France, Great Britain, Italy and Hungary. The Australian crop is estimated at Melbourne at 80,000,000 bushels, and recent rains are expected to cause a further improvement in the crop outlook. In Russia, too, the prospects are regarded as generally satisfactory. It is not difficult, therefore, to understand the bearish trend of sentiment in American markets. Traders, too, have been selling December short, owing to the big world's stocks and the favorable crop outlook. The total world's supply of all kinds of wheat is close to 200,000,000 bushels, against 140,000,000 a year ago, including 106,989,000 bushels of American wheat, against 60,134,000 bushels at this time in 1910. The world's stock, significantly enough, increased last week 2,645,000 bushels, against an actual decrease in the same week last year of 2,747,000 bushels. The world's shipments last week, too, reached 10,080,000 bushels, against 7,520,000 in the previous week. In a word, pretty much all the news has seemed to have a depressing effect. Yet last Tuesday Kansas City reported sales to mills of 200,000 bushels. There have been some reports of rust in Northern Argentina. The Continent has been bidding for wheat in Montreal, and the English markets have at times shown firmness. Some large interests in Chicago have given the market support. Buenos Ayres' quotations have occasionally been firm on reports of rain in Argentina. Large charters were made at Chicago last Saturday. Some think current prices discount bearish conditions for the present. Later in the week prices advanced on reports of excessive rains in Argentina, a good cash demand in the Southwest and covering. To-day prices again advanced on some unfavorable reports about the condition of late-sown winter wheat at the West, large exports for the week and strong cash prices at Minneapolis and Winnipeg, though the Minneapolis stock has increased during the week 975,000 bushels. The December tenders here were 1,000,000 bushels and in Chicago 3,000,000 bushels, issued there by various houses and taken in by Armour & Co., Shearson, Hammill & Co., Colvin and Harris, Winthrop & Co.

DAILY CLOSING PRICES OF WHEAT FUTURES IN NEW YORK.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
No. 2 red	99 1/2	99 1/4	98	97 3/4	Holl.	97 3/4
December delivery in elevator	99 1/2	98 3/4	97 1/2	97	day.	96 3/4

DAILY CLOSING PRICES OF WHEAT FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December delivery in elevator	95 3/4	94 3/4	93 3/4	93 3/4	Holl.	93 3/4
May delivery in elevator	100 1/2	100	98 1/2	99	Holl.	99 1/2
July delivery in elevator	94 3/4	94 3/4	93 3/4	93 3/4	day.	94 3/4

Indian corn has declined to some extent, partly under the influence of lower prices for wheat and partly owing to a tendency towards clearing and colder weather at the West, which would obviously be more favorable for curing and marketing the corn. Also the cash trade has been slow. The Liverpool market has not been encouraging. The available supply increased last week 318,000 bushels, against a decrease for the same week last year of 1,003,000 bushels. Country consignments to Chicago have latterly been increasing. Sample prices there have fallen sharply. The sentiment is generally bearish, despite the threatening weather at times and the fact that, though the receipts have increased, they have not increased to the extent expected. The world's shipments last week were only 1,709,000 bushels, against 2,347,000 in the previous week. Nevertheless, there is a feeling that later on supplies will be abundant and that the general tendency of prices in existing conditions of trade must be downward. Chicago's receipts last week were 2,323,000 bushels, or 927,000 more than in the previous week, and only 210,000 bushels less than in the same week last year. Later in the week, covering on the eve of Thanksgiving Day, Nov. 30, caused a small rally, despite good weather and liberal receipts. The smallness of the stock is

emphasized by some. To-day prices advanced on small offerings, bullish statistics at the West, an absence of December deliveries on contract, a rise in Liverpool and covering.

DAILY CLOSING PRICES OF NO. 2 MIXED CORN IN NEW YORK.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Cash corn	nom.	nom.	nom.	nom.	Holl.	nom.
December delivery in elevator	nom.	nom.	nom.	nom.	day.	nom.

DAILY CLOSING PRICES OF CORN FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December delivery in elevator	62 1/4	62 1/4	62 1/4	63	Holl.	63 1/4
May delivery in elevator	64	64	63 1/4	64 1/4	day.	64 1/4
July delivery in elevator	64	64	63 1/4	64 1/4		64 1/4

Oats have followed other grain downward, though there has been no decided decline. Prices have simply receded slowly under the influence, not only of the depression in other grain, but also of a rather bad state of trade. Leading commission houses have been switching from December to May at times to a difference of 2 1/2c. Big Chicago elevator interests early in the week were understood to be leading the selling, and have also, it appears, bought May and sold December. On the other hand, the receipts have been light and the available American supply decreased last week 594,000 bushels, against a decrease of 275,000 last year. But trade, as already intimated, has been unsatisfactory, prices are relatively high, speculation is sluggish, and, finally, there is the effect of receding prices of other grain. The result is a bearish sentiment, despite some aspects of the statistical situation, which inclines some to look for better prices next year. To-day prices advanced slightly in sympathy with other grain. December deliveries in Chicago were 1,055,000 bushels.

DAILY CLOSING PRICES OF OATS IN NEW YORK.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Standards	54	54	53 1/2	54	Holl.	54
No. 2 white	54 1/2	54 1/2	54	54 1/2	day.	54 1/2

DAILY CLOSING PRICES OF OATS FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December delivery in elevator	47 1/4	46 1/4	46 1/4	47 1/4	Holl.	47 1/4
May delivery in elevator	49 1/4	49 1/4	49	49 1/4	day.	49 1/4
July delivery in elevator	46	45 1/4	45 1/4	46 1/4		46 1/4

The following are closing quotations:

FLOUR.

Winter, low grades	\$3 50 @ \$3 65	Kansas straights, sack	\$4 75 @ \$4 95
Winter patents	4 75 @ 4 90	Kansas clears, sacks	4 00 @ 4 50
Winter straights	4 25 @ 4 50	City patents	6 30 @ 6 60
Winter clears	4 00 @ 4 25	Rye flour	4 50 @ 5 20
Spring patents	5 25 @ 5 40	Graham flour	Nominal.
Spring straights	4 90 @ 5 10	Corn meal, klin dried	\$3 65
Spring clears	4 10 @ 4 75		

GRAIN.

Wheat, per bushel—f. o. b.	Corn, per bushel—f. o. b.	Cents.
N. Spring, No. 1	No. 2	Nominal
N. Spring, No. 2	Steamer elevator	Nominal
Red winter, No. 2	No. 3 elevator	Nominal
Hard winter, No. 2	Rye, per bushel	Nominal
Oats, per bushel, new	No. 2 Western	Nominal
Standards	State & Pennsylvania	Nominal
No. 2 white	Barley—Malting	Nominal
No. 3 white		

The statements of the movement of breadstuffs to market indicated below are prepared by us from figures collected by the New York Produce Exchange. The receipts at Western lake and river ports for the week ending last Saturday and since August 1 for each of the last three years has been:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
	bbls. 196 lbs.	bush. 60 lbs.	bush. 56 lbs.	bush. 32 lbs.	bush. 48 lbs.	bu. 56 lbs.
Chicago	117,043	213,600	2,322,900	1,302,700	834,900	53,000
Milwaukee	54,990	342,390	70,060	115,600	261,300	68,340
Duluth	16,130	1,059,362		135,654	63,682	12,649
Minneapolis		2,731,680	180,000	202,384	737,420	63,500
Toledo		26,000	65,900	27,000		
Detroit	6,665	30,016	79,222	36,939		
Cleveland	795	7,610	36,990	54,100	2,102	
St. Louis	56,005	207,113	417,715	209,400	33,600	1,100
Peoria	43,300	27,000	473,667	52,800	45,600	3,300
Kansas City		264,000	334,000	162,900		
Total wk. '11	294,928	4,908,771	3,980,454	2,299,477	1,978,604	201,889
Same wk. '10	365,769	4,380,327	3,885,315	2,875,713	2,127,120	122,401
Same wk. '09	402,211	6,121,491	2,668,742	2,330,295	2,038,344	149,711
Since Aug. 1						
1911	5,429,932	108,911,388	53,252,262	59,404,479	37,715,509	4,475,386
1910	6,388,082	119,562,678	58,520,481	82,949,311	30,384,899	2,580,663
1909	8,443,516	138,653,540	50,460,106	72,610,295	37,197,458	3,574,945

Total receipts of flour and grain at the seaboard ports for the week ended Nov. 25 1911 follow:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
	bbls.	bush.	bush.	bush.	bush.	bush.
New York	163,582	1,119,700	129,300	548,100	42,338	
Boston	41,560	192,947	21,300	80,425		1,120
Philadelphia	59,249	519,760	26,000	78,158	1,000	
Baltimore	43,811	258,044	132,950	17,202		17,607
New Orleans	23,920	8,400	89,700	42,000		
Newport News	1,571					
Norfolk	714					
Galveston		21,000	1,000			
Mobile		3,000	15,000			
Montreal	39,414	678,957	6,100	249,309	32,797	
Total week 1911	376,821	2,798,808	421,350	1,015,194	76,135	18,727
Since Jan. 1 1911	17,371,402	84,589,258	61,243,587	43,608,287	4,292,364	963,647
Week 1910	368,143	2,356,059	507,664	1,251,865	185,323	23,192
Since Jan. 1 1910	16,825,135	71,421,870	36,687,609	46,466,447	3,692,923	845,113

* Receipts do not include grain passing through New Orleans for foreign ports on through bills of lading.

The exports from the several seaboard ports for the week ending Nov. 25 are shown in the annexed statement:

Exports from—	Wheat.	Corn.	Flour.	Oats.	Rye.	Barley.	Peas.
	bush.	bush.	bbls.	bush.	bush.	bush.	bush.
New York	542,338	9,811	58,229	2,000			6,060
Boston	443,003	112	1,572				
Philadelphia	633,000		14,000				
Baltimore	427,882		9,259				
New Orleans	1,000	14,000	16,000	1,000			
Newport News			1,571				
Galveston			3,631				
Mobile		15,000	3,000				
Montreal	591,000	101,000	32,000				
Norfolk			714				
Total week	2,638,223	139,923	129,976	3,000			6,060
Week 1910	1,999,811	226,882	258,251	14,468		31,237	4,558

The destination of these exports for the week and since July 1 1911 is as below:

	Flour	Wheat	Corn
	Since	Since	Since
	Week	Week	Week
	Nov. 25.	Nov. 25.	Nov. 25.
Exports for week and Nov. 25.	1911.	1911.	1911.
Since July 1 to—	bbls.	bush.	bush.
United Kingdom	66,346	2,163,241	1,813,034
Continent	21,796	958,503	820,189
Sou. & Cent. Amer.	18,808	405,783	5,000
West Indies	21,236	479,281	
Brit. Nor. Am. Cols.	1,715	26,987	
Other Countries	75	129,770	
Total	129,976	4,163,564	2,638,223
Total 1910	258,251	3,596,088	1,999,811

The world's shipments of wheat and corn for the week ending Nov. 4 1911 and since July 1 1911 and 1910 are shown in the following:

Exports.	Wheat.	Corn.
	1911.	1910.
	Week	Week
	Nov. 25.	Nov. 25.
	Since	Since
	July 1.	July 1.
North Amer.	4,184,000	73,316,000
Russia	2,184,000	43,818,000
Danube	1,864,000	37,105,000
Argentina	368,000	20,120,000
Australia	504,000	19,696,000
India	744,000	19,698,000
Oth. countr-s	232,000	4,303,000
Total	10080000	218,056,000

The quantity of wheat and corn afloat for Europe on dates mentioned was as follows:

	Wheat.	Corn.
	United Kingdom.	United Kingdom.
	Continent.	Continent.
	Total.	Total.
Nov. 25 1911	22,200,000	10,296,000
Nov. 28 1911	21,576,000	8,968,000
Nov. 26 1910	18,488,000	23,464,000
Nov. 27 1909	16,880,000	15,600,000
Nov. 28 1908	17,760,000	11,520,000
Nov. 30 1907	15,680,000	9,040,000

The visible supply of grain, comprising the stocks in granary at principal points of accumulation at lake and seaboard ports Nov. 25 1911, was as follows:

	Wheat.	Corn.	Oats.	Rye.	Barley.
	bush.	bush.	bush.	bush.	bush.
New York	3,736,000	31,000	1,059,000	29,000	34,000
" afloat	87,000		36,000		
Boston	773,000	13,000	18,000	4,000	
Philadelphia	727,000		50,000		
Baltimore	2,080,000	143,000	211,000	280,000	1,000
New Orleans	51,000	113,000	114,000		
Galveston	174,000	5,000			
Buffalo	3,230,000	39,000	1,311,000	84,000	1,154,000
" afloat	1,004,000				
Toledo	1,771,000	44,000	344,000		
" afloat	120,000				
Detroit	426,000	246,000	232,000	41,000	
Chicago	17,367,000	436,000	5,658,000	51,000	149,000
" afloat	614,000		4,414,000		
Milwaukee	1,168,000	14,000	409,000	211,000	155,000
Duluth	8,461,000		880,000	268,000	1,088,000
Minneapolis	13,284,000	6,000	1,944,000	357,000	953,000
St. Louis	4,258,000	74,000	542,000	10,000	160,000
Kansas City	5,334,000	38,000	243,000		
Peoria	37,000	47,000	1,342,000		
Indianapolis	660,000	103,000	109,000		
Omaha	1,254,000	29,000	1,765,000		198,000
On Lakes	2,751,000	210,000		46,000	510,000
Total Nov. 25 1911	69,367,000	1,591,000	20,681,000	1,381,000	4,411,000
Total Nov. 18 1911	67,921,000	1,294,000	21,221,000	1,362,000	4,625,000
Total Nov. 26 1910	42,485,000	1,452,000	15,502,000	453,000	2,206,000
Total Nov. 27 1909	29,418,000	3,288,000	13,686,000	918,000	3,282,000
Total Nov. 28 1908	48,973,000	2,651,000	8,694,000	1,070,000	6,472,000

CANADIAN GRAIN STOCKS.

	Wheat, bush.	Corn, bush.	Oats, bush.	Rye, bush.	Barley, bush.
Montreal	734,000	40,000	834,000	-----	74,000
Fort William	4,943,000	-----	861,000	-----	-----
Port Arthur	2,420,000	-----	431,000	-----	-----
Other Canadian	3,034,000	-----	2,425,000	-----	-----

Total Nov. 25 1911..	11,131,000	40,000	4,551,000	-----	74,000
Total Nov. 18 1911..	12,427,000	74,000	4,654,000	-----	61,000
Total Nov. 26 1910..	12,048,000	22,000	1,058,000	-----	52,000
Total Nov. 27 1909..	9,999,000	54,000	481,000	6,000	134,000
Total Nov. 28 1908..	6,599,000	30,000	331,000	-----	72,000

SUMMARY.

	Wheat, bush.	Corn, bush.	Oats, bush.	Rye, bush.	Barley, bush.
American	69,387,000	1,591,000	20,681,000	1,381,000	4,411,000
Canadian	11,131,000	40,000	4,551,000	-----	74,000
Total Nov. 25 1911..	80,498,000	1,631,000	25,232,000	1,381,000	4,485,000
Total Nov. 18 1911..	80,348,000	1,368,000	25,875,000	1,362,000	4,686,000
Total Nov. 26 1910..	54,533,000	1,474,000	16,560,000	453,000	2,258,000
Total Nov. 27 1909..	39,417,000	3,342,000	14,167,000	924,000	3,416,000
Total Nov. 28 1908..	55,572,000	2,681,000	9,025,000	1,070,000	6,544,000

THE DRY GOODS TRADE.

New York, Friday Night, Dec. 1 1911.

Business in cotton goods continues quite active and the movement of merchandise is steadily increasing. With the exception of some dissatisfaction regarding the margin of profits, and the unwillingness of buyers to meet any advance, operations of the week among manufacturing and converting trades tended to modify the views of many factors who had hitherto feared still lower prices. Printers of staple goods are keeping their machines fully employed without undue accumulation of stocks, and while they would welcome better values, they are well satisfied with the volume of business. Prices on most medium-count staples are considered attractive and safe, and buyers are realizing that if they want their orders filled, they must be placed now, regardless of the possibility of lower prices later on in consequence of cheaper staple. Reports from salesmen touching the industrial centres of the country show marked improvement, due, no doubt, to the increased activity in steel and textile manufacturing centers. In the larger cities retailers are reported as confining their attention entirely to the coming holiday trade, and are instructing their buyers to limit their advance orders. The activity of the week is largely traceable to the steadiness of selling in the miscellaneous export markets. Export trade with China is, of course, checked to some extent by the political situation in that country, but this is largely offset by increasing sales to the Pacific and South American markets. These sales include prints, denims, brown and bleached cottons and several lines of colored goods; still larger business could be done in these cloths if near-by deliveries could be made. Prices on American goods have been lowered by exporters in order to attract a share of the large foreign business now being enjoyed by Manchester at considerably higher rates; and also to induce orders in bulk from countries that withdrew from our markets during the period of extremely high-priced cotton.

There is good demand in the dress goods markets with considerable duplicating for spring merchandise and a fair volume of immediate shipments. Few complaints are now heard from the larger mills of the country, the majority of which are well supplied with business for the next two or three months. It is now generally conceded that prices are at the bottom, and, if anything, are due to improve, and this, coupled with the increasing volume of transactions, tends to offset the narrowness of profits and is encouraging the trade to further activities.

WOOLEN GOODS.—Activity is noted in the demand for dress goods and men's wear, and business at manufacturing centres has about reached the height of the season. Producers are well booked with orders—so much so that some are refusing business for immediate shipment. The demand for prompt delivery, however, shows signs of slackening, but there is a good inquiry for 1912 goods. The product of two of the largest mills has been advanced 5c. a yard for spring, while several manufacturers have announced that only late deliveries on spring goods could be promised. Plain goods and fancy worsted continue in moderate request.

DOMESTIC COTTON GOODS.—The exports of cotton goods from this port for the week ending Nov. 25 were 14,405 packages, valued at \$1,145,038, their destination being to the points specified in the table below:

	1911	1910
	Since Jan. 1.	Since Jan. 1.
New York to November 25—	Week.	Week.
Great Britain	112	999
Other Europe	165	1,338
China	5,377	99,259
India	487	22,287
Arabia	2,618	20,944
Africa	281	12,217
West Indies	1,420	39,606
Mexico	82	2,254
Central America	563	18,345
South America	1,014	53,050
Other countries	2,286	39,915
Total	14,405	310,214
	3,886	231,859

The value of these New York exports since Jan. 1 has been \$22,410,005 in 1911, against \$16,365,062 in 1910.

Although business in domestic cottons during the week has been interrupted by the holiday, transactions have been of moderate volume. It is not an easy matter to find staple goods in quantities for early shipment, this being particularly true of the better varieties of colored domestics. The weakness in the cotton markets has encouraged some buyers to hold off in the hope of making purchases at lower levels, but notwithstanding this fact the amount of business done is encouraging and the undertone is steady. It is stated that at prevailing prices for print cloths and convertibles, mills are showing more willingness to sell, but little is heard of any likelihood of lower levels as some are inclined to look for as a result of cheaper staple. Mills are said to be fairly comfortably fixed on business for the near future. Gray goods, 38½-inch standard are quoted 1-16c. higher at 4¼c.

FOREIGN DRY GOODS.—A steady demand is reported for household and spring dress linens with prospects fair for a good holiday business. Spot burlaps are firmly held, particularly the light-weights, which are in small supply. Heavy-weights and futures are dull and featureless. Prices are as follows: light-weights 4.25c. and 10½-ounce 5.35c.

Importations and Warehouse Withdrawals of Dry Goods.

The importations and warehouse withdrawals of dry goods at this port for the week ending Nov. 28 1911 and since Jan. 1 1911 and for the corresponding periods of last year:

	Week Ending Nov. 25 1911.	Since Jan. 1 1911.	Week Ending Nov. 26 1910.	Since Jan. 1 1910.
	Pkgs.	Value.	Pkgs.	Value.
IMPORTS ENTERED FOR CONSUMPTION FOR THE WEEK AND SINCE JAN. 1 1911 AND 1910.				
Manufactures of—				
Wool	668	173,783	744	167,733
Cotton	3,365	937,110	2,980	941,154
Silk	1,187	467,796	1,625	641,075
Flax	1,993	356,847	2,079	437,078
Miscellaneous	2,502	275,064	2,671	284,281
Total	9,715	2,210,600	10,099	2,472,521
WAREHOUSE WITHDRAWALS THROWN UPON THE MARKET.				
Manufactures of—				
Wool	213	63,709	341	89,336
Cotton	955	69,745	967	322,753
Silk	170	65,492	115	53,011
Flax	446	106,565	452	104,050
Miscellaneous	4,479	105,533	1,758	61,759
Total	6,263	411,044	3,633	630,909
Imports entered for consumption	9,715	2,210,600	10,099	2,472,521
Total marketed	15,978	2,621,644	13,732	3,103,430
IMPORTS ENTERED FOR WAREHOUSE DURING SAME PERIOD.				
Manufactures of—				
Wool	266	93,003	294	84,275
Cotton	512	177,495	771	252,582
Silk	98	45,843	270	109,834
Flax	361	76,737	427	100,735
Miscellaneous	984	62,517	3,383	167,854
Total	2,221	455,595	5,145	715,280
Imports entered for consumption	9,715	2,210,600	10,099	2,472,521
Total imports	11,936	2,666,195	15,244	3,187,801

STATE AND CITY DEPARTMENT.

News Items.

Aberdeen, Chehalis County, Wash.—*Commission Form of Government Rejected.*—By a vote of 595 "for" to 886 "against" the commission form of government was rejected at an election held Nov. 20.

Alhambra, Cal.—*Proposals to Sell Water Properties to City.*—According to the Los Angeles "Times," propositions were submitted to the Water Committee on Nov. 21 for the sale to the city of the following water properties:

The San Gabriel Valley Water Co., which practically supplies the city, offers to sell its plant in the Oak Knoll District, on which nine wells are being operated, pumping from 450 to 500 inches of water. The company also agrees to convey to the city the water rights in the territory bounded by the Southern Pacific RR., Sixth Street, Hellman Avenue and the city limits. The price at which it will transfer this property to the city is at the rate of practically \$1,000 an inch, and includes the present distributing system for Alhambra. The company agrees to accept 5% Alhambra city bonds in payment.

The California-Michigan Land & Water Co. proposes that the city buy outright all water rights on its land located at El Nogal, comprising about 126 acres, for \$175,000. There are at present running wells on this property, which is directly in the artesian belt adjoining the Baldwin ranch.

R. B. Chapman offers to sell to the city all that property of A. B. Chapman on the Rancho Santa Anita, comprising an area of about fifty acres. This offer, subject to the right of the Chapea Water Co. to develop 400 inches of water, is made at \$200,000.

It would be necessary for the city to install a distributing system should either of the latter propositions be accepted.

It is the intention of the Board of City Trustees, it is said, to employ a hydrostatic engineer to pass upon all three propositions.

Centralia, Lewis County, Wash.—*Voters Approve Commission Form of Government.*—At the election held Nov. 20 the proposition to adopt the commission form of government carried, it is reported, by a vote of 858 to 377.

Colorado.—*Bond Issue to Refund Old State Warrants Declared Constitutional.*—Judge Whitford of the District Court of the City and County of Denver on Nov. 22 declared constitutional the Act passed by the Legislature providing for a bond issue to pay old State warrants, in accordance with the amendment to the State Constitution adopted in Nov. 1910.

Georgia.—*Extra Session of Legislature.*—John M. Slaton, acting Governor, has issued a proclamation convening the Legislature in special session on Jan. 24 1912 to receive the returns and declare the result of a special election ordered to be held Jan. 10 1912 to elect a Governor to succeed Hoke Smith, who, as previously stated, resigned Nov. 15 to accept his seat in the United States Senate.

Hillsboro, Hill County, Tex.—*Attorney-General Refuses to Approve Bonds.*—The Attorney-General's department has refused to approve the \$10,000 funding, \$15,000 water-system-impt. and \$5,000 sewer-ext. 4½% coup. bonds offered on Oct. 17. The resolution of the City Council providing for the holding of the election in describing the bonds to be issued prescribed that they should bear interest at a rate "not exceeding 5%." The Attorney-General, it is said, holds that the exact rate of interest should have been stated in the resolution.

Jackson County (P. O. Jacksonville), Ore.—*Bonds Declared Valid.*—Judge Calkins of the Circuit Court on Nov. 17 declared valid the \$1,500,000 good-roads bonds voted Sept. 30 V. 93, p. 1056. The suit was brought by Ed. Andrews of Medford, who, it is said, will now appeal to the State Supreme Court.

Laurel, Jones County, Miss.—*Election on Commission Form of Government.*—Reports state that an election to vote on the proposition to adopt a commission form of government will be held Dec. 19.

Lima, Peru.—*New Loan.*—A special cable dispatch to the "New York Sun" says that the Government of Peru on Nov. 28 authorized the municipality of Lima to negotiate with the Bank of Peru in London and the banking house of W. R. Grace & Co. a loan of \$3,000,000 to be used in the payment of former loans and the installation of sanitary works. The bonds are to be issued at 87 and will bear 5% interest. They are to be guaranteed, it is said, by a mortgage on the properties and revenues of the municipality.

Massachusetts.—*Constitutional Amendments Adopted.*—The two proposed amendments to the State Constitution carried at the general election Nov. 7. The vote was 197,255 to 107,924 on the amendment authorizing the use of voting machines at all elections and 197,761 to 98,546 on the amendment, given in full in V. 93, p. 1274, increasing the power of the Legislature to authorize the taking of land or property for highways or streets.

Mississippi.—*Refunding of State Bonds.*—We have received copies of the bills passed by the Legislature for the purpose of refunding the \$600,000 bond issue of 1910 and referred to briefly in last week's "Chronicle." The Legislature, it appears, provides in Senate Bill No. 2 for an appropriation of \$600,000 for the payment of the bonds upon presentation to the State Auditor between Jan. 1 and Jan. 15 1912. The interest coupons maturing to that time will also be paid. If

the holders prefer, they can continue to hold their bonds or they may by notifying the State Auditor before March 1 1912, exchange them for new bonds authorized by Senate Bill No. 4. This measure provides for the issuance of \$600,000 coupon bonds, but there will only be issued enough bonds to refund those submitted for exchange, it being provided that none of the bonds shall be "sold" by the State. The new bonds will mature twenty years from date and bear not exceeding 4% interest, payable Jan. 1 and July 1 at the State Treasury. They will be exempt from all taxes.

Oshkosh, Winnebago County, Wis.—*Election on Commission Plan of Government.*—An election will be held Dec. 1, it is stated, to vote on the adoption of the commission plan of government.

Pennsylvania.—*Vote on Constitutional Amendment to Exclude from Debt Limit Bonds Issued by Philadelphia for Subway Construction.*—As stated in V. 93, p. 1413, the voters on Nov. 7 approved the proposed amendment to the Constitution to allow the city of Philadelphia, in ascertaining its borrowing capacity, to exclude such debt as may be incurred for the construction or development of subways for transit purposes or for the construction of wharves or docks owned or to be owned by the city, and which produce revenue sufficient to pay the interest and principal of such debt. The complete vote on this amendment is reported in local papers as 140,647 to 88,965, majority 51,682. V. 92, p. 894.

St. Cloud, Minn.—*Voters Approve Commission Form of Government.*—At an election held Nov. 28 the commission form of government was adopted, it is stated, by a vote of 942 to 316.

Seattle, Wash.—*Reasons for Not Publishing Calls for Payment of Local Improvement Bonds.*—In reply to our request that all notices for the call of local improvement bonds be forwarded to us for mention in our news items, the City Treasurer, Ed. L. Terry, writes as follows:

"In connection therewith we beg to advise you that, while the request appears to be a simple one, at the same time, owing to the fact that we have issued bonds in 2,600 districts, aggregating more than \$11,500,000, in denominations of \$100 each, and the further fact that the same are held by thousands and thousands of different people throughout the entire United States and some foreign countries, it would be absolutely impossible for any attaché of this office to assume such a responsibility with any idea of accuracy. We average a call for bonds almost daily, which call is published as required by law in the Seattle "Daily Bulletin," of this city, which is the official publication of the city, and, as you will note from a copy which we are enclosing under another cover, the bonds in as many as 24 districts happen to come under one call, which would undoubtedly take a great deal of space in your paper. Similar requests have come to us from many parts of the country, and about the only practical manner that we have of disposing of these are simply to suggest to the makers thereof that they subscribe for the Seattle "Daily Bulletin," which will be mailed daily to any address in the United States or Canada for 75 cents per month. If you were the only person who sought this information, it would be but very little additional trouble to send you a carbon copy of such call just prior to the time that the original was sent to the printer here, but when you come to consider the thousands of these requests that are made by the individual bondholders, together with the publishers of various financial papers, as before stated, it would be simply impossible for us to attempt to do this with the hope that the notices of such call would be received anything like regularly by the parties making such request.

"In the case of individual bondholders, we have a standing rule wherein, if they will keep us advised as to the particular bonds in any district that they hold at any time, that we will place their name and address upon our bond registers directly opposite the bond numbers in question, and thereafter use our best endeavors to notify them when the same are called. But due to the fact that our bonds are made payable to bearer, and are transferred through so many hands, the bondholders themselves are very careless about keeping us informed as to their holdings. Also, due to the further fact that our local improvement bonds are payable at the annual interest periods at any time after the first year, holders of these bonds as a rule pretty generally understand the method of their payment, which makes it vastly different from bonds issued for general municipal purposes, that constitute an indebtedness against the City of Seattle, within the meaning of the State Constitution limiting municipal indebtedness. Therefore, we are forced to say to you, even though we would like to do all we can to accommodate the holders of these bonds in the way of giving additional information, at the same time it will be absolutely impracticable to furnish you with the information sought in the manner that you would like it."

Vancouver, Wash.—*Election on Commission Form of Government.*—An election will be held Dec. 5 to vote on the question of adopting the commission form of government.

Bond Calls and Redemptions.

Baca County (P. O. Springfield), Colo.—*Bond Call.*—Call is made for payment Jan. 1 1912 at the office of the County Treasurer or Henry Wilcox & Son of Denver for \$29,500 6% refunding bonds dated Jan. 1 1902. Denom. \$500. Due Jan. 1 1922, opt. after Jan. 1 1912.

Bolivia (Republic of).—*Bonds Drawn for Payment.*—The following coupon bonds of the £500,000 external 6% loan were drawn July 3 at the office of J. P. Morgan & Co., New York, for payment Jan. 1 1912 at that office or at the office of Morgan, Grenfell & Co. in London, Eng.:

Nos. 145, 149, 257, 480, 482, 649, 684, 750, 902, 1054, 1103, 1197, 1202, 1320, 1439, 1471, 1569, 1582, 1629, 1698, 1752, 1753, 1754, 1864, 1963, 2152, 2400.

Richmond, Va.—*Manchester Bonds Called for Payment.*—Among the advertisements elsewhere in this Department, official notice is given to holders of 5% bonds of the City of Manchester, payment of which has been assumed by Rich.

mond, to present their holdings for redemption at the office of Edward J. Warren, Auditor of the City of Richmond, on or after Jan. 1 1912, when interest will cease.

Bond Proposals and Negotiations this week have been as follows:

ADA SCHOOL DISTRICT (P. O. Ada), Pontotoc County, Okla.—Bonds Defeated.—The proposition to issue \$4,500 school-bldg. impt. bonds failed to carry, reports state, at the election held Nov. 22.

AKRON, Ohio.—Bond Sale.—The bids received on Nov. 28 for the sixteen issues of 4½% bonds offered by the Sinking Fund Trustees (V. 93, p. 1413) were as follows:

(1) Hoehler & Cummings, Toledo.	(4) Otis & Hough, Cleveland.
(2) First-Second Nat. Bank, Akron.	(5) Provident S. B. & Tr. Co., Cin.
(3) Hayden, Miller & Co., Cleve.	(6) Stacy & Braun, Toledo.

\$5,800	\$2,000	\$11,200	\$4,000	\$38,700	\$8,000
Dodge Avenue.	Lava-tory.	Cedar Street.	Market St. Repair.	Tallmadge Avenue.	Public Improv't.
(1) -----	-----	\$11,491 20	-----	\$39,210 84	-----
(2) -----	-----	-----	-----	-----	*\$8,075 20
(3) \$5,857 00	\$2,022 00	11,503 00	4,042 00	39,317 50	8,026 50
(4) \$5,880 00	\$2,023 00	11,503 00	4,044 00	39,275 00	8,026 00
(5) -----	-----	11,504 08	-----	39,270 81	8,028 80
(6) 5,873 86	2,016 00	*11,537 50	*4,049 52	*39,408 88	8,048 64
-----	\$29,300	\$6,800	\$13,800	\$11,400	\$11,900
-----	Johnston Street.	So. Main Street.	Wooster Avenue.	Wabash Avenue.	Berry and Mallison.
(1) -----	\$29,364 46	-----	-----	-----	-----
(2) -----	*29,560 20	-----	-----	-----	-----
(3) -----	29,460 50	\$6,817 50	\$13,850 00	\$11,577 50	\$11,943 00
(4) -----	29,412 00	*6,826 00	13,853 00	11,588 00	11,946 00
(5) -----	29,409 88	-----	13,853 51	11,586 39	11,947 00
(6) -----	29,511 00	6,825 50	*13,882 46	*11,612 64	*11,970 43
-----	\$6,300	\$21,000	\$11,360	\$6,000	\$12,600
-----	Steiner Avenue.	Portage Place.	Douglas Street.	Public Improv't.	Glenwood Avenue.
(1) -----	-----	*21,412 10	-----	*\$6,087 60	-----
(2) -----	-----	21,345 50	\$11,408 50	6,050 00	\$12,695 45
(3) -----	*6,316 00	21,326 00	11,413 00	6,051 00	12,712 00
(4) -----	*6,324 00	21,324 45	11,413 02	6,051 90	12,704 03
(5) -----	-----	21,379 34	*11,451 00	6,064 25	*12,720 50
(6) -----	6,322 76	-----	-----	-----	-----

* These bids were successful.

The above are not new issues but bonds which have been held by the Sinking Fund as an investment.

Bonds Authorized.—Ordinances have been passed providing for the issuance of the following 4½% coupon bonds:

- \$60,000 main-sewer-extension bonds. Denom. \$1,000. Date Oct. 1 1911. Due \$20,000 Oct. 1 1914, 1915 and 1916.
- 4,500 hospital bonds. Denom. \$1,000 and \$500. Date Oct. 1 1911. Due Oct. 1 1914.
- 3,250 public-improvement bonds. Denom. \$1,000 and \$250. Date Oct. 15 1911. Due Oct. 15 1914.
- 450 Main St. storm-water relief sewer bonds. Date Oct. 1 1911. Due Oct. 1 1914.
- 11,000 Otto St. storm-sewer bonds. Denom. \$1,000 and \$100. Date Sept. 1 1911. Due Sept. 1 1914.
- 3,375 sewerage-disposal-repair bonds. Denom. \$1,000 and \$375. Date Oct. 1 1911. Due Oct. 1 1914.
- 2,400 High and Crosier streets storm-water sewer bonds. Denom. \$800. Date Oct. 15 1911. Due Oct. 15 1914.
- 515 public-impt. bonds. Date Oct. 1 1911. Due Oct. 1 1914.
- 160,000 bonds to purchase real estate and right-of-way for a water-works. Denom. \$1,000. Date Dec. 1 1911. Due Dec. 1 1931.

Interest semi-annually at the National Park Bank in New York.

ALBANY, N. Y.—Bond Offering.—Proposals will be received until 11 a. m. Dec. 12 by H. N. Fuller, City Compt., for \$100,000 4% registered non-taxable water-supply-impt. bonds, 4th Series. Denom. \$1,000. Date Dec. 1 1911. Int. J. & D. by mailed checks. Due Dec. 7 1931. Bonds to be delivered Dec. 20 1911. Cert. check for 2% of bonds bid for, payable to the City Treas., required.

ALTA LOMA SCHOOL DISTRICT (P. O. Alta Loma), Galveston County, Tex.—Bonds Voted.—It is reported that a proposition to issue \$14,000 school-building bonds carried by a vote of 26 to 4 at a recent election.

ANDERSON COUNTY COMMON SCHOOL DISTRICT NO. 22, Tex.—Bonds Registered.—The State Comptroller registered \$2,000 5% 20-year bonds on Nov. 21.

ARCADIA, De Soto County, Fla.—Bond Offering.—Proposals will be received until 12 m. Dec. 15 (time extended from Nov. 30) by the Board of Bond Trustees for the \$20,000 water-works-extension, \$20,000 sewer improvement and \$10,000 street-improvement 5% bonds (V. 93, p. 1338). Denom. \$1,000. Date June 1 1911. Int. J. & D. at City Treasurer's office. Due 30 yrs. Cert. check for 2% of bonds bid for required. Bonded debt \$30,000. No floating debt. Assess. val. \$1,426,496; actual val. (est.), \$2,000,000. Official circular states that this city has never defaulted in the payment of interest on bonded indebtedness when due. J. L. Jones is Secretary and Treasurer.

ATLANTIC CITY, N. J.—Bond Sale.—On Nov. 25 \$205,000 4% 35-year park bonds were awarded to local investors at par. Denom. \$1,000. Date Jan. 1 1911. Interest J. & J.

AUBURN SCHOOL DISTRICT (P. O. Auburn), Nemah County, Neb.—Bond Offering.—Proposals will be received until 12 m. Dec. 11 by I. H. Dillon, Sec. Bd. of Ed., for the \$40,000 4½% coup. high school-bldg. bonds. Authority Chap. 79, Art. 14, Comp. Stat. for 1911. Denom. \$1,000. Date Oct. 19 1911. Int. J. & J. at the office of Kountze Bros. in N. Y., fiscal agency of Nebraska. Due Oct. 19 1931, opt. after Oct. 19 1921. Cert. check on a local bank for \$800, payable to the "Auburn School Dist.," required. Bonded debt \$40,000. No floating debt. Assessed valuation for 1911, \$691,695.

BEAVER TOWNSHIP (P. O. North Lima), Mahoning County, Ohio.—Bond Offering.—Proposals will be received until 1 p. m. Dec. 30 by H. E. Mentzer, Clerk, for \$20,000 5% road bonds. Auth. Sec. 4686-1 to 4686-50 incl., Rev. Stat. Denom. \$500. Date Feb. 1 1912. Int. F. & A. at the Treas. office. Due \$1,000 yearly Feb. 1 1914 to 1921 incl., and \$2,000 yearly Feb. 1 1922 to 1927 incl. Bonds to be delivered and paid for Feb. 1 1912. Cert. check on a bank in Mahoning County for \$500, payable to the Treasurer, required.

BEE COUNTY (P. O. Beeville), Texas.—Bond Offering.—This county is offering for sale \$125,000 4% 10-40-year (opt.) road district bonds. T. M. Cox is County Judge.

BENNINGTON, Bryan County, Okla.—Bond Offering.—Proposals will be received until 8 p. m. Dec. 15 for the \$20,000 6% 25-year water-works bonds (V. 93, p. 483). Denom. \$1,000. Certified check for \$1,000 is required. Jesse Sipes is Town Clerk.

BLESSING DRAINAGE DISTRICT, Matagorda County, Tex.—Bonds Voted.—At the election held Nov. 18 the proposition to issue drainage bonds carried, it is stated, by a vote of 57 to 11.

BOISE CITY, Ada County, Idaho.—Bond Offering.—Proposals will be received until 12 m. Dec. 8 by Emily L. Savidge, City Clerk, for the \$90,000 gold coup. refunding bonds voted Nov. 16 (V. 93, p. 1489). Authority Subdivision 50, Sec. 42, Boise City Charter. Denom. \$500. Date Jan. 1 1912. Int. (rate not to exceed 5%) J. & J. at the City Treasurer's office or Chase Nat. Bank in New York, at the option of holder. Due Jan. 1 1932, opt. after Jan. 1 1922. Cert. check on some bank of Boise for 5% of bonds bid for, payable to "Boise City," required. Full certified copies of all proceedings relative to the issue will be furnished without charge by the city.

BRAZORIA COUNTY (P. O. Angleton), Texas.—Bonds Registered.—The State Comptroller registered on Nov. 21 \$40,000 4% 5-40-year (opt.) bonds.

BROOKHAVEN, Lincoln County, Miss.—Bonds Authorized.—The City Council passed an ordinance providing for the issuance of \$10,000 public-school-bldg-impt bonds, it is reported.

BROOKVILLE, Jefferson County, Pa.—Bond Offering.—Proposals will be received until 12 m. Dec. 15 by A. B. Stewart, Boro. Sec., for \$116,000 5% gold coupon tax-free bonds to purchase the Brookville Water Co.'s system, and secured solely by a mortgage to the Brookville Title & Trust Co., as trustee of the water-works. Denom. \$500 and \$1,000. Date Jan. 1 1912. Int. (without deduction for taxes) J. & J. at the Brookville Title & Trust Co., of Brookville. Issued under Act of Assembly May 31 1907, P. L. 355. Due on Jan. 1 as follows: \$4,500 yearly from 1913 to 1937 incl. and \$3,500 in 1938; unpaid bonds are subject to call after 5 years at par and accrued int. Bonds may be registered as to principal and will be delivered and paid for Jan. 1 1912. No deposit required.

BROWNSVILLE, Cameron County, Tex.—Bond Sale.—The \$80,000 street-impt., \$35,000 water and \$15,000 electric-light-impt. 5% 20-40-yr. (opt.) bonds offered on June 17 (V. 92, p. 1513) have been awarded, we are advised, to Sutherland & Co. of Kansas City, Mo., at par and int. to Oct 20.

BROWNWOOD, Brown County, Tex.—Bonds Voted.—A favorable vote was cast on Nov. 20 on the proposition to issue \$15,000 5% water-works-improvement bonds, the vote being 281 to 9. Due 1952, opt. after 1932. We are advised that these bonds will probably be offered for sale in Jan. 1912.

BRUCEVILLE INDEPENDENT SCHOOL DISTRICT (P. O. Bruceville), McLennan County, Texas.—Bonds Registered.—An issue of \$6,000 5% 20-40-year (opt.) bonds was registered on Nov. 21 by the State Comptroller.

BURLEY, Cassia County, Idaho.—Bond Sale.—On Nov. 22 \$7,300 6% warrant-funding bonds were awarded to the Bank of Commerce at par, less \$365 for attorneys' fees. A bid of par less \$495 for attorney's fees was also received from the Union Trust & Savings Bank of Spokane. Denom. \$1,000 and \$300. Date Jan. 1 1912. Int. J. & J. Bonds are optional after 10 years.

CAIRO SCHOOL DISTRICT (P. O. Cairo), Ritchie County, W. Va.—Bond Offering.—Proposals will be received until Jan. 1 by the Bd. of Ed. for the \$30,000 6% coup. high-sch.-bldg. bonds (V. 93, p. 1338). Denom. \$500. Date Jan. 1 1912. Int. payable at the Bank of Cairo. Due 34 yrs., opt. after 10 yrs. Cert. check for \$1,000, payable to B. R. Teoyman, Pres., required. No bonded or floating debt. Assess. val 1911, \$6,600,484.

CAMBRIDGE, Middlesex County, Mass.—Description of Bonds.—The four issues of bonds, aggregating \$157,200, awarded to Blake Bros. & Co. of Boston (V. 93, p. 1489) are in the denom. of \$1,000 each and dated Dec. 1 1911. Int. J. & D.

CANFIELD TOWNSHIP (P. O. Canfield), Ohio.—Bond Offering.—Proposals will be received until 12 m. Dec. 11 by G. W. Wilson, Twp. Clerk, for \$3,000 5% road-impt. bonds. Authority Sec. 7004, Gen. Code. Denom. \$500. Date Dec. 1 1911. Int. J. & D. Due \$500 yearly, Dec. 1 from 1914 to 1919, incl. A bank check for \$100, payable to the Twp. Treasurer, required.

CANTON, Stark County, Ohio.—Bond Offering.—Proposals will be received until 12 m. Dec. 26 by E. C. Brumbaugh, City Aud., for the following 4½% sanitary sewer bonds:

- \$4,000 Harrison Ave. bonds. Due \$1,000 yearly Sept. 1 from 1913 to 1916, incl.
- 2,000 North Cherry St. bonds. Due \$1,000 Sept. 1 in 1915 and 1916.

Denom. \$1,000. Date Sept. 1 1911. Int. M. & S. Purchaser to furnish blank bonds at his own expense. Cert. copy of the abstract showing the legality of the issue will be furnished upon application to the City Aud. Bonds to be delivered and paid for within 10 days from time of award. Cert. check on a bank in Canton for 5% of bonds bid for, payable to the City Treas., required.

Bond Sale.—On Nov. 20 the \$1,000 10-yr. Harrison Ave. and \$900 5-yr. Shorb St. 4½% sewer bonds (V. 93, p. 1212) were awarded to C. B. Fredricks of Canton for \$1,911, making the price 100.578, it is reported.

CARBON COUNTY SCHOOL DISTRICT NO. 3 (P. O. Bowler), Mont.—Bond Offering.—Proposals will be received until 6 p. m. Jan. 6 1912 by W. H. Steele, Dist. Clerk, for \$2,000 coup. school bonds at not exceeding 6% int. Int. ann. Due 10 yrs., opt. after 5 yrs. from Jan. 6 1912. These bonds were previously offered on Aug. 21, but the bids received were rejected. (V. 93, p. 823).

CELINA, Collin County, Tex.—Bonds Registered.—On Nov. 20 the State Comptroller registered the \$8,000 sewer and \$6,000 street 5½% 10-40-year (opt.) bonds recently voted (V. 93, p. 1212).

CHAMPAIGN, Champaign County, Ill.—Bond Election.—The question of issuing \$35,000 light-system-construction bonds will be voted on, it is stated, at an election to be held Dec. 15.

CINCINNATI, Ohio.—Bonds Authorized.—Ordinances have been passed providing for the issuance of the following 4% coup. street-impt. bonds:

- \$300 Carthage-Ave. and Jefferson Ave. widening bonds. Denom. \$300. Due Dec. 1 1912.
- 4,000 Temple Ave. (city's portion) bonds. Denom. \$500, or multiples thereof. Due Dec. 1 1931.
- 5,000 Kates Place and Hoff Ave. bonds. Denom. \$500, or multiples thereof. Due Dec. 1 1931.

Date Dec. 1 1911. Int. semi-ann. at the City Treas. office.

CLARKE COUNTY (P. O. Athens), Ga.—Bond Election.—Reports state that an election will be held Dec. 7 to vote on the proposition to issue the \$200,000 court-house bonds. (V. 93, p. 303.)

CLEBURNE, Johnson County, Tex.—Bond Election.—An election will be held Dec. 30, it is reported, to vote on the question of issuing \$128,000 bonds for the purchase of the water-system and \$50,000 for the purpose of equipping and maintaining the same.

CLEVELAND, Ohio.—Bids.—The other bids received for the four issues of coup. bonds awarded on Nov. 24 (V. 93, p. 1489) were as follows:

	\$1,100,000 issue.	\$300,000 issue.	\$50,000 issue.	\$250,000 issue.
Cleveland Tr. Co., Cleve.---				
E. H. Rollins & Sons, Chic.---				
Stacy & Braun, Toledo.---	\$1,107,843	\$311,931	\$51,869 50	\$258,560
Field, Longstreth & Co., Cin.---				
Wm. Salomon & Co., Chic.---				
C. E. Denison & Co., Cleve.---	1,107,481	310,681	51,646 00	257,601
Hayden, Miller & Co., Cleve.---				
& Fifth-Third Nat. Bk., Cin.---	1,106,820	310,100	51,530 00	256,825

COLORADO COUNTY COMMON SCHOOL DISTRICT NO. 2, Texas.—Bonds Registered.—On Nov. 22 \$3,300 5% 12-20-year (opt.) bonds were registered by the State Comptroller.

COLUMBUS, Ohio.—Bonds Authorized.—Ordinances have been passed providing for the issuance of the following 4% coupon bonds:

- \$2,000 Southern relief sewer bonds. Date not later than Sept. 1 1912. Int. payable at the agency of Columbus in N. Y. Due Sept. 1 1937.
- 10,000 West Side storm sewer bonds. Date not later than Sept. 1 1912. Int. payable at the agency of Columbus in N. Y. Due Sept. 1 1931.
- 13,000 Medill St. relief sewer bonds. Date not later than Sept. 1 1912. Int. payable at the City Treasurer's office. Due Sept. 1 1932.
- 12,000 Twentieth St. relief sewer bonds. Date not later than Sept. 1 1912. Int. payable at the City Treasurer's office. Due Sept. 1 1932.
- 35,000 Summit St. and Luka Ave. relief sewer bonds. Date not later than Sept. 1 1912. Int. payable at City Treas. office. Due Sept. 1 1932.

Denom. \$1,000. Interest is payable in March and September.

COVINGTON, Saint Tammany Parish, La.—Bond Election Proposed.—The Town Council passed a resolution, reports state, calling an election to vote on the proposition to issue \$65,000 municipal-water-works-system-bldg. bonds.

DALLAS, Tex.—Bond Sale.—On Nov. 22 the \$250,000 4% school-impt. bonds (V. 93, p. 1276) were awarded to the Dallas Trust & Sav. Bank of Dallas at 93.36 and int. from July 1911. Other bids follow:
J. B. Oldham, Dallas.....92.80 | Commerce Tr. Co., Kan. City.....92.16
R. M. Grant & Co., N. Y.....92.12

DAYTON, Ohio.—Bond Offering.—Proposals will be received until Dec. 19 by G. W. Bish, City Aud., for the following coup. impt. bonds:
\$9,500 5% River St. paving assess. bonds. Denom. \$1,000 and \$500. Date Oct. 1 1911. Due \$500 Oct. 1 1914 and \$1,000 yrly. Oct. 1 from 1915 to 1923 incl.
12,000 5% Keowee St. paving assess. bonds. Denom. \$1,000. Date Oct. 1 1911. Due on Oct. 1 as follows: \$1,000 yrly. from 1914 to 1917 incl., \$2,000 in 1918, \$1,000 yrly. from 1919 to 1922 incl. and \$2,000 in 1923.
9,000 5% Valley St. paving assess. bonds. Denom. \$1,000. Date Oct. 1 1911. Due \$1,000 yrly. Oct. 1 from 1914 to 1918 incl. and \$1,000 yrly. Oct. 1 from 1920 to 1923 incl.
10,000 5% Creighton Ave. paving assess. bonds. Denom. \$1,000. Date Oct. 1 1911. Due \$1,000 yrly. Oct. 1 from 1914 to 1923 incl.
3,000 4% Clover St. extension bonds. Denom. \$1,000. Date Sept. 1 1911. Due Sept. 1 1925.
\$1,500 4% water-works-impt. and ext. bonds. Denom. \$1,000 and \$1,500. Date Dec. 1 1911. Due on Dec. 1 as follows: \$6,500 in 1921 and \$5,000 yrly. from 1922 to 1926 incl.
7,200 5% Valley St. paving assess. bonds. Denom. \$1,000 and \$1,200. Date Oct. 1 1911. Due on Oct. 1 as follows: \$1,200 in 1914, \$1,000 yrly. from 1915 to 1919 incl. and \$1,000 in 1921 and 1923.
6,000 4½% Forest Ave. storm-water-sewer bonds. Denom. \$1,000. Date Dec. 1 1911. Due \$1,000 yrly. Dec. 1 from 1920 to 1923 incl.
9,000 5% Clover St. paving assess. bonds. Denom. \$1,000. Date Oct. 1 1911.
10,000 5% Lexington Ave. paving assess. bonds. Denom. \$1,000. Date Oct. 1 1911. Due \$1,000 yrly. Oct. 1 from 1914 to 1923 incl.
6,700 5% Broadway St. paving assess. bonds. Denom. \$1,000 and \$700. Date Oct. 1 1911. Due on Oct. 1 as follows: \$700 Oct. 1 1913, \$1,000 in 1914, 1916, 1918, 1919, 1921 and 1923.
6,500 5% Broadway St. paving assess. bonds. Denom. \$1,000 and \$500. Date Oct. 1 1911. Due on Oct. 1 as follows: \$500 in 1913 and \$1,000 in 1914, 1916, 1918, 1919, 1921 and 1923.
Int. semi-annually in New York. Bonds to be delivered and paid for Dec. 19 1911. Cert. check on a national bank for 5% of bonds, payable to the City Auditor, required.

DUBUQUE, Dubuque County, Iowa.—Temporary Loan.—We are advised that \$16,000 will be borrowed from local banks for the purpose of paying that amount of the \$26,500 bonds falling due Dec. 1. The balance (\$10,500) will be taken care of by the sinking fund. It was originally proposed to issue \$16,000 4½% refunding bonds, but this action was rescinded.

DUMONT SCHOOL DISTRICT, Bergen County, N. J.—Bond Sale.—On Nov. 22 the \$40,000 5% 18-13-yr. (av.) gold coup. tax-free bldg. bonds (V. 93, p. 1414) were awarded to the Closter Nat. Bank of Closter at 104.401—a basis of about 4.64%.

EDENTON, Chowan County, No. Caro.—Bond Offering.—Proposals will be received until 12 m. Dec. 19 for \$20,000 5% sewerage bonds. Cert. check for 2½% of bid required. R. F. Tuttle is Mayor.

ELLENSBURG, Kittitas County, Wash.—Bond Sale.—On Nov. 6 the \$29,000 20-yr. coup. refunding bonds (V. 93, p. 1134) were awarded to E. H. Rollins & Sons of Chicago for \$29,526 (101.813) for 5s.

ELLENSBURG SCHOOL DISTRICT (P. O. Ellensburg), Kittitas County, Wash.—Bond Sale.—On Nov. 18 the \$90,000 bldg. bonds (V. 93, p. 1213) were awarded to the State of Washington at par and int. for 4½s. The State gives the district the option of redeeming the bonds at any time. Eight bids were received.

ELLICOTT AND BUSTI (Towns), UNION FREE SCHOOL DISTRICT NO. 3 (P. O. Celoron), N. Y.—Bond Sale.—On Nov. 25 the \$14,670 5% 7½-yr. (av.) bonds (V. 93, p. 1490) were awarded to Isaac W. Sherrill of Poughkeepsie at 102.75 and int.—a basis of about 4.55%. Other bids: Geo. M. Hahn, N. Y.....102.13 | Union Trust Co., Jamestown.....100
Ferris & White, N. Y.....100.507

ELMA, Chehalis County, Wash.—Bond Offering.—Proposals will be opened at 8 p. m. Dec. 5 for \$10,000 coup. water-works bonds at not exceeding 6% int. Authority vote of 291 to 119 at an election held Sept. 27. Denom. \$500. Int. semi-ann. Due 10 yrs., opt. after 1 yr.

ELMIRA, Chemung County, N. Y.—Bond Offering.—Proposals will be received until 12 m. Dec. 4 by D. C. Bliss, Sec. Bd. of Ed., for \$50,000 4½% registered school bonds. Date Dec. 1 1911. Int. semi-ann. Due \$10,000 yrly. June 1 from 1916 to 1920, incl. A cert. guaranteed deposit for 1% of bid required.

EUCLID, Cuyahoga County, Ohio.—Bond Offering.—Proposals will be received until 12 m. Jan. 8 1912 by F. H. Shaaff, Vll. Clerk, for the following 4½% coup. water-main-constr. assess. bonds:
\$30,704 Lake road bonds. Denom. \$1,000, \$500 and \$204. Due on Oct. 1 as follows: \$2,704 in 1912, \$3,000 yearly from 1913 to 1920 incl. and \$4,000 in 1921.

2,266 Clarewood St. bonds. Denom. \$266 and \$500. Due on Oct. 1 as follows: \$266 in 1913 and \$500 in 1915, 1917, 1919 and 1921.

2,242 Canterbury Ave. bonds. Denom. \$242 and \$500. Due on Oct. 1 as follows: \$242 in 1913 and \$500 in 1915, 1917, 1919 and 1921.

3,096 Vineland Road bonds. Denom. \$96 and \$500. Due on Oct. 1 as follows: \$96 in 1912 and \$500 in 1913, 1915, 1917, 1919, 1920 and 1921.

1,283 Rollin St. bonds. Denom. \$283 and \$500. Due on Oct. 1 as follows: \$283 in 1914 and \$500 in 1918 and 1921.

Authority, Section 3914, General Code. Date "day of sale." Int. A. & O. at the Vll. Treas. office. Cert. check on a bank other than the one making the bid, for 10% of bonds bid for, payable to Vll. Treas., is required. Purchaser to pay accrued int. Bonds to be delivered and paid for within 10 days from time of award.

FALLS CITY, Richardson County, Neb.—Bond Offering.—Proposals will be received until 7:30 p. m. Dec. 5 by J. Wiltse, City Clerk, for \$24,000 5-20-year (opt.) sewerage and \$10,000 10-20-year (opt.) water-ext. 5% bonds. Authority Secs. 8928, 8871, 8878, 8879 and 8880, Cobbe's Annotated Stat. for 1911; also vote of 330 to 108 and 360 to 73, respectively, at an election held Oct. 17. Denom. \$500. Date Dec. 15 1911. Int. annually at the fiscal agency of Nebraska in New York. Cert. check for \$500 required. Official circular states that the city has never defaulted in the payment of the principal or interest of any of its bonded indebtedness, and there has never been any controversy or litigation concerning the boundaries of the municipality or the title of its present officials.

FARMINGTON, Oakland County, Mich.—Bond Sale.—We are advised that this city has sold an issue of \$15,000 4½% water-works bonds, due serially from 1914 to 1929 incl. Bonds were authorized by a vote of 103 to 11 on Nov. 28.

FORSYTH, Monroe County, Ga.—Bond Election.—On Jan. 15 1912 an election will be held, it is stated, to vote on a proposition to issue \$50,000 school bonds.

FORT THOMAS, Campbell County, Ky.—Bonds Voted.—The election held Nov. 25 resulted in favor of the question of issuing \$40,000 school-bldg. bonds. According to reports, the vote was 161 to 8.

GALVA, Ida County, Iowa.—Bond Offering.—Proposals will be received at once for an issue of \$8,500 electric-light bonds. Authority vote of 127 to 18 at an election held Nov. 21. I. E. Baumgardner is City Clerk.

GLENN COUNTY (P. O. Willow), Cal.—Bond Sale.—On Nov. 20 the \$160,000 road and \$290,000 bridge 5% 10-39-year (ser.) gold coup. bonds (V. 93, p. 1213) were awarded to N. W. Halsey & Co. of San Fran. at 106.55—a basis of about 4.56%. It is stated.

GROSSE POINT SHORES (P. O. Grosse Point Farms), Wayne County, Mich.—Bond Offering.—Proposals will be received until 12 m. Dec. 4 by L. J. Glardin, Village Clerk, (P. O. Detroit) for \$19,000 4½% public water bonds. Denom. \$500 or \$1,000. Int. J. & D. Due 30 years. Cert. check for \$1,000 is required.

GROVE CITY, Franklin County, Ohio.—Bond Sale.—On Oct. 27 the two issues of 5% 1-10-year (serial) impt. assess. bonds, aggregating \$16,610

(V. 93, p. 895) were awarded to Chas. Ketterer of Grove City for \$16,910 (101.806) and interest.

HADLEY, HAMPSHIRE COUNTY, Mass.—Bond Sale.—On Nov. 27 the \$36,000 4% 1-18-year (serial) coupon tax-free refunding bonds (V. 93, p. 1490) were awarded to Estabrook & Co. of Boston at 102.346 and int.—a basis of about 3.70%. A bid of 101.522 was also received from Curtis & Sanger of Boston.

HAMILTON, Butler County, Ohio.—Bond Sale.—On Nov. 28 the following bids were received for the four issues of 4½% 1-10-yr. (ser.) assess. bonds aggregating \$49,573 (V. 93, p. 1415). Bids for the \$41,612 30 issue:

	Premium.	Premium.	Premium.
Well, Roth & Co., Cincinnati	\$708 00	Seasongood & Mayer, Cinc.	\$587 00
Breed & Harrison, Cincinnati	670 00	Hoehler & Cummings, Toledo	545 50
C. E. Denison & Co., Clev.	636 80	Hayden, Miller & Co., Clev.	425 50
First Nat. Bank, Hamilton	607 00	Prov. Sav. Bk. & Tr. Co., Cln.	261 76

Bids for the three other issues:

	issue.	issue.	issue.
Frank J. Stam, Hamilton	\$3,697 40	\$2,402 40	\$1,860 90
Hayden, Miller & Co., Cleveland	Prem.	Prem.	Prem.
First Nat. Bank, Clev. (for all 3 issues)	\$9 25	7 25	\$4 65
		\$195 13	

HAMILTON COUNTY (P. O. Webster City), Iowa.—Bond Sale.—On Nov. 7 \$49,169 95 5½% drainage bonds were awarded to the Securities Savings Bank & Trust Co. of Toledo. Date Nov. 1 1911. Int. M. & N. Due from 1914 to 1918.

HANCOCK COUNTY (P. O. New Cumberland), W. Va.—Bond Offering.—Proposals will be received until 2 p. m. Dec. 18 by A. S. Cooper, Clerk Co. Court, for the \$125,000 5% gold coup. Grant District road-impt. bonds voted Oct. 7 (V. 93, p. 1135). Denom. \$1,000. Date May 1 1912. Int. M. & N. at the First Nat. Bank in Chester. Due 34 years, opt. after 20 years. Bonds are tax-free. Cert. check for 2% of bonds bid for, payable to the Clerk Co. Court, required. Bonds can be delivered within 30 days after purchase. No debt at present. Assess. val. 1911, \$6,366,964.

HEBRON SCHOOL DISTRICT (P. O. Hebron), Thayer County, Neb.—Bond Election.—The election to vote on the issuance of \$20,000 high-school-building bonds will be held Dec. 12, according to reports.

HIAWATHA, Brown County, Kan.—Bond Offering.—Proposals will be received until 8 p. m. Dec. 11 for \$28,000 4½% water-works-system bonds. Authority vote of 233 to 20 at the election held Oct. 3. Denom. \$1,000. Date Dec. 1 1911. Int. J. & J. Due \$10,000 Jan. 1 1922 and 1927 and \$8,000 Jan. 1 1932. Certified check for \$1,400, payable to the City Treas., required. J. W. Liebengood, City Clerk.

HILLSBORO, Washington County, Ore.—Bond Sale.—Reports state that the Warren Construction Co. was awarded \$51,108 20 street-impt. bonds at par and int.

HOOD RIVER, Hood River County, Ore.—Bond Offering.—Proposals will be received by H. B. Langille, City Recorder, it is stated, for an issue of \$37,250 6% water-works bonds.

HOPKINSVILLE SCHOOL DISTRICT (P. O. Hopkinsville), Christian County, Ky.—Bond Sale.—We are advised that this district has sold \$30,000 bonds to local people.

HUGO, Lincoln County, Colo.—Bond Sale.—We are advised that this town has awarded an issue of \$30,000 water-works bonds to G. Jaeger, a contractor, of Rich Hill, Mo.

HYANNIS, Grant County, Neb.—Bond Offering.—Proposals will be received until 2 p. m. Dec. 20 by C. K. Bassett, Clerk, pro-tem., for \$8,800 5% water bonds voted Oct. 30. Denom. \$500 and \$300. Date Jan. 1 1912. Interest annual. Due 20 years, optional after 5 years. Certified check for \$150 required.

IOWA CITY, Johnson County, Iowa.—Bond Sale.—On Nov. 11 \$2,319 28 6% paying bonds were awarded to local investors at par. Denominations \$636 40, \$382 88, \$500 and \$200. Date Nov. 11 1911. Interest annually in April. Due from 1912 to 1917.

Bonds Proposed.—This city, we are advised, will issue about \$40,000 bonds in 60 to 90 days.

JACKSONVILLE, Duval County, Fla.—Bond Offering.—Further details are at hand relative to the offering on Dec. 18 of the \$250,000 4½% gold coupon improvement bonds, issue of 1911. (V. 93, p. 1490.) Proposals for these bonds will be received until 3 p. m. on that day by W. M. Bostwick Jr., Chairman Board of Bonds Trustees. Denom. \$1,000. Date Nov. 1 1911. Int. M. & N. at the City Treasurer's office, or, at the holder's option, at a bank in New York City designated by the City of Jacksonville.

Due Nov. 1 1936. Bonds to be delivered Dec. 19, unless a subsequent date shall be mutually agreed upon. Cert. check on a Jacksonville bank, for 2% of bonds bid for, required. Blank forms for bids can be had upon application to the Secretary Board of Bond Trustees, or to Dillon, Thomson & Clay of New York. Official circular states that the city has never failed to pay its interest in Jacksonville or New York, at the owner's option, and has never defaulted. The bonds will be certified as to genuineness by the United States Mortgage & Trust Co. of New York and their legality has been approved by Dillon, Thomson & Clay, whose opinion will be delivered to the purchaser.

KEARNEY, Buffalo County, Neb.—Bond Election Proposed.—Reports state that an election will be held to vote on a proposition to issue \$40,000 bonds to install and operate a light system.

KENESAW SCHOOL DISTRICT (P. O. Kenesaw), Adams County, Neb.—Bonds Voted.—The proposition to issue \$25,800 bldg. bonds carried, it is stated, by a vote of 165 to 59 at the election held Nov. 29.

KING COUNTY SCHOOL DISTRICT NO. 66, Wash.—Bond Sale.—On Nov. 18 the \$3,000 1-10-year (opt.) coup. bonds (V. 93, p. 1339) were awarded to the State of Wash. at par for 5½s. No other bids were received.

KLAMATH COUNTY (P. O. Klamath Falls), Ore.—No Bonds Voted.—We are advised that the election held Nov. 21 was not to vote on issuing bonds, but on the question of establishing an irrigation district. We are further advised that the question of issuing bonds will not be voted upon until in the spring.

LAWTON, Comanche County, Okla.—Bonds Refused.—According to local papers the Investors Securities Co. of Des Moines has refused the \$70,000 5% 25-year coup. judgment funding bonds awarded on Oct. 30 (V. 93, p. 1277).

LEVAN, Juab County, Utah.—Bond Sale.—The State of Utah was awarded at par during October the \$9,000 5% 10-20-year (opt.) water-system bonds (V. 93, p. 610). Date Oct. 2 1911.

LINDSTROM SCHOOL DISTRICT NO. 53 (P. O. Lindstrom), Chisago County, Minn.—Bonds Defeated.—The election held Nov. 21 resulted in a vote of 118 "for" and 119 "against" the question of issuing \$18,000 4% building bonds.

LIVINGSTON COUNTY (P. O. Chillicothe), Mo.—Bond Sale.—On Nov. 23, it is stated, \$12,850 72 6% ditch bonds were awarded to the Wm. R. Compton Co. of St. Louis for \$12,855, making the price 100.033.

LOGAN, Hocking County, Ohio.—Bond Offering.—Proposals will be received until 12 m. Dec. 18 by C. A. Rochester, Village Clerk, for \$4,600 4½% Mulberry St. impt. assess. bonds. Denom. \$460. Date Nov. 1 1911. Int. annual. Due \$460 yearly Nov. 1 1912 to 1921, incl. Bonds to be delivered and paid for within 5 days from time of award. Cert. check or bond for \$500, payable to the Vll. Treas., required. Purchaser to pay accrued interest.

LOGAN COUNTY (P. O. Bellefontaine), Ohio.—Bond Offering.—Proposals will be received until 1 p. m. Dec. 7 by J. S. Vanhise, Co. Aud., for \$19,500 4½% ditch-constr. bonds. Auth. Secs. 6489 and 6490, Gen. Code and laws amendatory and supplementary thereto. Denom. \$500. Date Dec. 7 1911. Int. J. & J. at the Treas. office. Due \$1,500 July 1 1912 and \$2,000 each six months Jan. 1 1913 to Jan. 1 1917 incl. Bonds to be delivered within 20 days after date of sale. A deposit in cash or cert. check for \$200, payable to the Treas., required. All bidders must satisfy themselves of the legality of these bonds, as no delay will be granted for any purpose. Official circular states that this county has never defaulted in the payment of principal or interest.

LOUDON COUNTY (P. O. Loudon), Tenn.—Bond Offering.—Proposals will be received until 10 a. m. Dec. 9 by Val. Stockton, Chairman of County Pike Commissioners, for \$100,000 5% coupon road-impt. bonds. Denoms. \$500 or \$1,000, to suit purchaser. Date Jan. 1 1912. Int. J. & J. at Loudon or New York. Due Jan. 1 1942. Certified check for \$1,000, payable to the Chairman, required. Purchaser will be required to have bonds printed and lithographed at his own expense and to bear whatever expense he may incur in making investigation as to the validity of said bonds.

MARYLAND, Bond Offering.—Proposals will be received until 12 m. Jan. 2 1912 by M. Vandiver, Treas., at Annapolis, for \$250,000 4% coup. (with privilege of registration as to principal) public highway Loan of 1910, Series "B," bonds. Authority, an Act of Gen. Assembly of 1910, Chapter 116. Denom. \$1,000. Date Jan. 2 1912. Int. J. & J. Due Jan. 1 1927, opt. after Jan. 1 1922. Bonds to be delivered Jan. 9 1912 and are exempt from State, county and municipal taxation. Cert. check on a responsible banking institution for 5% of bid required.

MERCER COUNTY (P. O. Trenton), N. J.—Bonds Authorized.—Local papers state that a resolution was passed authorizing the issuance of \$18,000 30-yr. Yardville-Allentown road-impt. and \$7,375 48 20-yr. bridge 4% bonds. Int. semi-ann.

MEXICO SPECIAL ROAD DISTRICT NO. 1 (P. O. Mexico), Mo.—Bond Election Rescinded.—We are advised that the election which was to have been held Nov. 25 to vote on the question of issuing \$100,000 road bonds (V. 93, p. 1415) has been rescinded.

MIAMI COUNTY (P. O. Troy), Ohio.—Bond Offering.—Proposals will be received until 10 a. m. Dec. 18 by M. T. Staley, County Auditor, for the following 5% ditch-impt. bonds, aggregating \$28,700:

\$800 Baldwin Ditch bonds. Due \$100 each six months from July 1 1912 to Jan. 1 1916 incl.
300 Black Ditch bonds. Due \$100 each six months from July 1 1912 to July 1 1913 incl.
2,400 Brumbaugh Ditch bonds. Due \$1,000 July 1 1912 and Jan. 1 1913 and \$200 July 1 1913 and Jan. 1 1914.
4,200 Carr Ditch bonds. Due \$500 each six months from July 1 1912 to Jan. 1 1916 incl. and \$200 July 1 1916.
2,600 Dodd Ditch bonds. Due \$500 each six months from July 1 1912 to July 1 1914 incl. and \$100 Jan. 1 1915.
400 George Ditch bonds. Due \$100 yearly Jan. 1 1913 to 1916 incl.
1,000 Grubb Ditch bonds. Due \$100 each six months from July 1 1912 to Jan. 1 1917 incl.
500 McClintock Ditch bonds. Due \$100 each six months from July 1 1912 to July 1 1914 incl.
1,300 Rice Ext. Ditch bonds. Due \$200 each six months from July 1 1912 to July 1 1914 incl. and \$100 each six months from Jan. 1 1915 to Jan. 1 1916 incl.
3,600 Wheeler Ditch bonds. Due \$500 each six months from July 1 1912 to Jan. 1 1915 incl. and \$200 each six months from July 1 1915 to July 1 1916 incl.
800 Wilgus Ditch bonds. Due \$100 each six months from July 1 1912 to Jan. 1 1916 incl.
9,000 Bridenbaugh Ditch bonds. Due \$2,000 each six months from July 1 1912 to Jan. 1 1914 incl. and \$500 July 1 1914 and Jan. 1 1915.
500 Denlinger Ditch bonds. Due \$100 each six months from July 1 1912 to July 1 1916 incl.
1,300 McClain Ditch bonds. Due \$300 July 1 1912 and \$200 each six months from Jan. 1 1913 to July 1 1917 incl.

Authority Sec. 6489, 6492 and 6493, Gen. Code. Int. J. & J. at the Treas. office. Cert. check (or cash) for \$500 on a bank in Miami County, payable to the Auditor, is required. Bids must be unconditional.

MIDDLEPORT UNION FREE SCHOOL DISTRICT NO. 1, TOWNS OF ROYALTON AND HARTLAND (P. O. Middleport), Niagara County, N. Y.—Bond Offering.—Proposals will be received until 2 p. m. Dec. 5 by G. F. Thompson, Attorney, for the \$45,000 4 1/2% building bonds (V. 93, p. 1057). Denom. 15 bonds of \$1,000 each and 15 bonds of \$2,000 each. Date Nov. 1 1911. Int. semi-ann. in New York exchange. Due \$1,000 yearly Nov. 1 from 1912 to 1926 incl. and \$2,000 yearly Nov. 1 from 1927 to 1941 incl.

MILES CITY, Custer County, Mont.—Bond Offering.—J. E. Farnum, City Clerk, will offer for sale at public auction at 2 p. m. Dec. 26 \$5,000 coupon bridge-construction bonds. Auth. Secs. 3259, and 3454 to 3460, Rev. Codes of 1907. Denom. \$1,000. Date Jan. 1 1912. Int. J. & J. at Miles City or New York, at option of purchaser. Due Jan. 1 1932, opt. after 10 years. Cert. check for 5%, payable to the City Treas., required.

MILFORD SCHOOL DISTRICT (P. O. Milford), Ohio.—Bids.—On Nov. 20 the other bids received for the \$50,000 4 1/2% coup. sch. bonds awarded to the Provident Sav. Bank & Trust Co. of Cin. at 106.09 (V. 93, p. 1491) were as follows:
Well, Roth & Co., Cin. \$52,913 | Hayden, Miller & Co., Cin. \$51,065
Seasongood & Mayer, Cin. 52,303

MONROE COUNTY (P. O. Paris), Mo.—Bond Offering.—Proposals will be received until 2 p. m. Jan. 3 1912 for the \$100,000 4% court-house bonds voted Sept. 12 (V. 93, p. 825). Int. F. & A. Due \$5,000 yearly for 20 years.

MONTICELLO, Piatt County, Ill.—Bond Election Proposed.—An election will probably be held, reports state, to decide whether or not this village shall issue \$15,000 village-hall bonds.

MT. STERLING GRADED COMMON SCHOOL DISTRICT (P. O. Mt. Sterling), Montgomery County, Ky.—Bond Sale.—On Nov. 24 the \$15,000 6% 2-16-year (ser.) coup. bonds (V. 93, p. 1415) were awarded to Seasongood & Mayer of Cin. at 104.72 and int.—a basis of about 5.34%. In addition to the successful bid 19 others were received. Among them were the following:
A. B. Leach & Co., Chic. \$15,687 00 | Well, Roth & Co., Chic. \$15,620 00
Prov. Sav. B. & Tr. Co., Cin. 15,679 50

NATIONAL CITY SCHOOL DISTRICT, San Diego County, Cal.—Description of Bonds.—The \$8,000 5% bonds awarded on Nov. 6 to the Bank of Commerce & Trust Co. of San Diego at par and int. (V. 93, p. 1416) are in the denom. of \$500 each and dated Sept. 1 1911. Int. annual. Due \$1,000 yearly, beginning 1912.

NEWARK, N. J.—Bond Sale.—On Nov. 29 the \$1,120,000 4% 40-50-year (opt.) coupon or registered Passaic Valley sewer bonds (V. 93, p. 1416) were awarded as follows:
J. S. Rippel, Newark \$710,000 | Essex County Bank \$100,000
Federal Trust Co. 200,000 | J. W. Whelan 10,000
Broad & Market Nat. Bank 100,000

NEW BEDFORD, Bristol County, Mass.—Bond Sale.—On Nov. 29 \$28,000 4% municipal bonds were awarded to Blodgett & Co. of Boston at 101.419, it is stated. Date Nov. 1 1911. Due \$3,000 yearly 1912 to 1919 incl. and \$2,000 in 1920 and 1921.

NEW BRITAIN, Hartford County, Conn.—Bond Sale.—On Nov. 28 the following bids were received for the \$100,000 4 1/4% 30-year water bonds (V. 93, p. 1491):
E. H. Rollins & Sons, Bost. \$102,168 | Adams & Co., Boston 101.37
Blodgett & Co., Boston 102.08 | N. W. Halsey & Co., Boston 101.173
Estabrook & Co., Boston 101.876 | Spitzer, Rorick & Co., N. Y. 101.047
R. L. Day & Co., Boston 101.819 | Parkinson & Burr, Hartford 100.845
Merrill, Oldham & Co., Bost. 101.639 | R. M. Grant & Co., N. Y. 100.837
Blake Bros. & Co., Boston 101.44 | Harris, Forbes & Co., N. Y. 100.592
* This bid, it is stated, was accepted.

NEW CASTLE, Henry County, Ind.—Bonds Authorized.—An ordinance was passed Nov. 20, reports state, providing for the issuance of \$25,000 4% funding bonds. Denom. \$500. Int. semi-ann. Due \$2,500, yearly Feb. 1 from 1915 to 1924 inclusive.

NEW DECATUR, Morgan County, Ala.—Bond Sale.—W. M. Leftwich & Co. of Birmingham have been awarded, it is stated, \$5,200 bonds. Bonds Authorized.—This city, according to reports, has authorized the issuance of \$14,700 lmpt. bonds.

NEW HARTFORD, Oneida County, N. Y.—Bond Offering.—Proposals will be received until 8 p. m. Dec. 4 by C. R. Hart, Vill. Pres., for \$4,800 e-house-purchase and \$1,000 fire-alarm-system bonds. Due part yearly ending 5 years after date.

NEW ROCHELLE, Westchester County, N. Y.—Bond Offering.—Proposals will be received until 8:15 p. m. Dec. 5 by E. S. Griffing, Comptroller, for the following 4 1/2% registered bonds, series of 1911:
\$80,000 North Ave. widening bonds. Due \$9,000 yearly May 1 from 1913 to 1920, inclusive, and \$8,000 May 1 1921.
62,000 Division St. opening bonds. Due \$7,000 yearly May 1 from 1913 to 1920, inclusive, and \$6,000 May 1 1921.

Denom. \$1,000. Date Dec. 1 1911. Interest, which will, at the request of registered holder, be remitted by mail in N. Y. exchange, is payable M. & N. at the Treasurer's office. Purchaser to pay accrued int. Bonds to be delivered Dec. 12. Cash or cert. check on a banking corporation in New York State, or upon any national bank, payable to the "City of New Rochelle," for 2% of bonds bid for, required. Bonds will be certified as to their genuineness by the United States Mtge. & Trust Co., and their legality is being examined by Caldwell, Masslich & Reed of N. Y., whose opinion will be furnished to purchaser. Bids to be made on blanks furnished by the city.

NILES, Trumbull County, Ohio.—Bond Sale.—On Nov. 29 the \$8,000 4 1/4% 14-17-year (serial) electric-light-plant-extension bonds (V. 93, p. 1340) were awarded to the Provident Savings Bank & Trust Co. of Cincinnati at 104.73 and interest. Other bids follow:
Stacy & Braun, Toledo \$8,358 72 | Otis & Hough, Cleveland \$8,300 00
Hayden, Miller & Co., Clev. 8,346 00 | Seasongood & Mayer, Cin. 8,283 00
Well, Roth & Co., Cin. 8,336 00 | Union Nat. Bank, Warren 8,225 20
C. E. Denison & Co., Clev. 8,333 80 | Niles Trust Co., Niles 8,200 00

OAKLEY (P. O. Cincinnati), Ohio.—Bond Offering.—Proposals will be received until 12 m. Dec. 30 by Oscar Kosche, Vill. Clerk, for the following 5% street-impt. assess. bonds:
\$1,718 45 Taylor Ave. bonds. Denom. \$171 85. Due \$171 85 yrly. from 1912 to 1921 incl.
2,132 64 Cresop Ave. bonds. Denom. \$213 26. Due \$213 26 yrly. from 1912 to 1921 incl.
Authority, Sec. 3914, Gen. Code. Date Nov. 10 1911. Int. annual. Cert. check for 5% of bonds bid for, payable to the "Village of Oakley," required. Purchaser to pay accrued int.

OCEAN CITY, Cape May County, N. J.—Bond Offering.—Proposals will be received, dispatches state, until 2 p. m. Dec. 7 by the City Clerk for \$14,000 5% 10-year lmpt. bonds. Int. semi-ann. Certified check for \$500 required.

ORLANDO, range County, Fla.—Bond Sale.—On Oct. 18 the \$15,000 5% 20-year coupon refunding bonds (V. 93, p. 1057) were awarded at par as follows: \$5,000 to the People's National Bank, \$1,700 to the State Bank and \$500 to W. O. Moore. The remaining \$7,800 bonds were exchanged for old 7% bonds.

PALMETTO, Manatee County, Fla.—Bond Offering.—Proposals will be received until 10 a. m. Dec. 14 for \$5,000 water-works, \$5,000 sewer and \$5,000 street-impt. 6% gold coupon bonds. Denom. \$500. Date Dec. 1 1911. Int. A. & O. Due 30 years, opt. after 20 years. Certified check for 5% of bonds bid for required. W. M. Rowlett is Town Clerk.

PAULS VALLEY, Garvin County, Okla.—Bonds Voted.—The election held Nov. 21 resulted in favor of the question of issuing \$16,000 school-building bonds, according to reports.

PITTSFIELD, Berkshire County, Mass.—Bond Sale.—On Nov. 28 the \$100,000 4% 5-24-yr. (ser.) coup. water bonds (V. 93, p. 1492) were awarded to R. L. Day & Co. of Boston at 104.919 and int.—a basis of about 3.563%. Int. M. & N.

Other bids follow:
E. M. Farnsworth & Co., Bos. 104.34 | Geo. A. Fernald & Co., Bos. 104.01
Blodgett & Co., Boston 104.19 | Blake Bros. & Co., Boston 103.97
Adams & Co., Boston 104.17 | Merrill, Oldham & Co., Bos. 103.919
Curtis & Sanger, Boston 104.13 | Estabrook & Co., Boston 103.85
N. W. Harris & Co., Inc., Bos. 104.072 | Hornblower & Weeks, Bos. 103.725
Kuhn, Fisher & Co., Boston 104.033 | Jackson & Curtis, Boston 103.59
Hayden, Stone & Co., Bos. 104.026 | E. H. Rollins & Sons, Bos. 103.31

PLEASANT RIDGE, Hamilton County, Ohio.—Bond Sale.—On Nov. 22 the \$1,600 4% 30-year water-works bonds (V. 93, p. 1215) were awarded to the Atlas Nat. Bank of Cin. for \$1,611 (100.687) and int. No other bids were received.

PONDREEK SCHOOL DISTRICT (P. O. Pondcreek), Grant County, Okla.—Purchase of Bonds.—The purchaser of the \$40,000 5% bdg. bonds recently disposed of (V. 93, p. 1416) was R. J. Edwards of Oklahoma City at par. Denom. \$1,000. Date Nov. 1 1911. Int. A. & O. Due Nov. 1 1931.

PORT CARBON, Schuylkill County, Pa.—Bonds Defeated.—The proposition to issue the \$20,000 sewer bonds (V. 93, p. 897) failed to carry at the election held Nov. 4.

PORTLAND, Ore.—Bids Rejected.—The following bids received on Nov. 20 for the \$150,000 4% 25-year fire-protection bonds (V. 93, p. 1215) were rejected:

R. L. Day & Co., N. Y. 95.159 | N. W. Halsey & Co., San Fr. 94.406
Estabrook & Co., N. Y. 95.159 | R. M. Grant & Co., N. Y. 94.38
Blodgett & Co., N. Y. 95.17 | Harris Trust & Sav. Bank, Chicago 94.32
Merrill, Oldham & Co., Bos. 95.076 | United States Nat. Bank 94.12
Bank of California 94.411 | Seasongood & Mayer, Cin. 93.7813
Morris Bros., Portland 94.411

Bond Election Proposed.—We are advised that propositions to issue the following bonds will probably come up at the special election to be held to vote on the commission form of government (V. 93, p. 1413). The date when this election will be held has not been definitely determined.
\$850,000 for a new bridge across the Willamette River.
350,000 additional auditorium bonds.
300,000 for the purchase of Ross Island.

Bond Sale.—On Nov. 20 \$337,409 02 6% 1-10-year (opt.) local-impt. bonds were awarded as follows, it is stated:

	\$100,000 00 at 103.04
	25,000 00 at 103.02
	50,000 00 at 103.01
	50,000 00 at 102.81
	50,000 00 at 102.72
	50,000 00 at 102.61
	3,905 02 at 102.53
	4,000 00 at 102.85
	3,000 00 at 102.75
	1,500 00 at 102.75

Ladd & Tilton Bank, Portland

R. G. Jubitz, Portland 4,000 00 at 102.85
A. E. Geiger, Portland 3,000 00 at 102.75
C. Ecks, Portland 1,500 00 at 102.75

READING (P. O. Cincinnati), Ohio.—Bond Sale.—On Nov. 28 the \$3,450 5% 1-10-year (serial) street-impt. (city's portion) bonds (V. 93, p. 1340) were awarded to the Provident Savings Bank & Trust Co. of Cincinnati for \$3,584 20 (103.89) and interest. Other bids follow:

Well, Roth & Co., Cincinnati \$91 00	First Nat. Bank, Norwood \$39 99
Seasongood & Mayer, Cincinnati 76 00	Reading Bank, Reading 35 00
First Nat. Bank of Lockland 57 50	

ROCHESTER, N. Y.—Note Sale.—On Nov. 28 the three issues of 8-months notes (V. 93, p. 1492) were awarded as follows at 4% interest:
\$200,000 local-improvement notes to L. Robbins of Rochester at 100.02.
100,000 local-improvement notes to the Union Trust Co. of New York for \$224,005 (100.002).

100,000 water-improv't notes for \$224,005 (100.002).
24,000 park notes.
A bid for 4.22s was also received from Bond & Goodwin of N. Y., and one for 4 1/4s from T. J. Swanton of Rochester.

ROCHESTER, N. Y.—Bonds Authorized.—Reports state that an ordinance was passed by Common Council on Nov. 28 providing for the issuance of \$1,000,000 30-year bonds to take up water-works notes.

ROCKINGHAM COUNTY (P. O. Portsmouth), N. H.—Bond Offering.—Proposals will be received until 11 a. m. Dec. 2 by the Co. Comm'rs for \$20,000 4% coup. jail bonds. Denom. \$1,000. Date Dec. 1 1911. Int. J. & D. at the First Nat. Bank in Portsmouth or the First Nat. Bank of Boston, at the option of holder. Due \$5,000 yearly Dec. 1 from 1922 to 1925 incl. Bonds will be delivered Dec. 4 and certified as to genuineness by the First Nat. Bank of Boston. Their legality will be approved by Ropes, Gray & Gorham of Boston, whose opinion will be furnished to the purchaser. J. L. Parker is County Treasurer.

ROSEBURG SCHOOL DISTRICT (P. O. Roseburg), Douglas County, Ore.—Bond Election.—Reports state that an election will be held Dec. 16 to vote on the question of issuing \$35,000 building bonds.

ROSELAWN SCHOOL DISTRICT, Stanislaus County, Cal.—Bond Sale.—On Nov. 14 the \$6,000 6% bonds (V. 93, p. 1340) were awarded to G. G. Blymyer & Co. of San Francisco for \$6,077 75 (101.295) and interest. Denom. \$500. Date Nov. 14 1911. Interest annual.

ROSS COUNTY (P. O. Chillicothe), Ohio.—Bond Offering.—Proposals will be received until 12 m. Jan. 8 1912 by R. D. Alexander, Co. Aud., for \$22,000 4% emergency bridge bonds. Authority Sec. 2434, Gen. Code. Denom. \$1,000. Date Jan. 1 1912. Int. semi-ann. Due Jan. 1 1937, opt. after Jan. 1 1916. Bonds to be paid for within 5 days from time of award. Cert. check for 2% of bonds bid for, payable to the Auditor, required. Purchaser to pay accrued interest.

ROUTT COUNTY SCHOOL DISTRICT NO. 4 (P. O. Hahn's Peak), Colo.—Bond Sale.—The Milner Bank & Trust Co. of Steamboat Springs was awarded the \$6,500 6% bldg. bonds (V. 93, p. 1416) voted Nov. 23.

ST. JOHNS, Multnomah County, Ore.—Bond Sale.—On Nov. 21 \$30,000 6% 1-10-year (opt.) improvement bonds were awarded to the First National Bank of St. Johns at 100.25. Denom. \$500. Date Sept. 1 1911

SALEM, Columbiana County, Ohio.—Bonds Authorized.—An ordinance has been passed providing for the issuance of the \$55,000 4½% coup. sewage-disposal-works const. bonds voted Nov. 7 (V. 93, p. 1416). Denom. \$1,000. Date Feb. 1 1912. Int. F. & A. at the City Treasurer's office. Due part yearly beginning April 1 1913.

SALEM TOWNSHIP FIRST SEPARATE SCHOOL DISTRICT (P. O. Lower Salem), Ohio.—Bond Sale.—On Oct. 26 the \$2,000 5% coupon building bonds (V. 93, p. 1058) were awarded to the First National Bank of Marietta at 105.15 and interest.

SCOTLAND COUNTY (P. O. Laurinburg), No. Caro.—Bond Offering.—Proposals will be received until 10 a. m. Dec. 4 by the Bd. of Comm's, W. G. Bule, Chairman, for \$20,000 Spring Hill Twp. and \$30,000 Laurel Hill Twp. 6% coupon road bonds. Denom. \$1,000. Date Dec. 1 1911. Int. J. & D. Due Dec. 1 1941, redeemable one-twentieth yearly after 10 years. Cert. check for 2% of bonds bid for, payable to the Chairman of Bd. of Co. Comm'rs, required. Purch. to furnish blank bonds. The \$20,000 Spring Hill Twp. bonds were previously offered on Sept. 15, but the bids received were rejected (V. 93, p. 826).

SEATTLE, Wash.—No Municipal Street Railway Bonds Offered.—We are advised that the reports stating the city was offering \$100,000 of the \$800,000 municipal railway bonds (V. 93, p. 1341) are erroneous.

SELMA, Johnston County, No. Caro.—Bond Sale.—On Nov. 14 the \$20,000 6% 20-year coupon bonds were awarded to the Robinson-Humphrey-Wardlaw Co. of Atlanta at 102.155. Date Dec. 1 1911. Int. J. & J. For other details see V. 93, p. 1058.

SHAWNEE, Pottawatomie County, Okla.—Bonds Proposed.—The City Council, according to reports, is considering the issuance of \$35,000 refunding bonds.

SHELBY, Polk County, Neb.—Bids Rejected.—All bids received for the \$15,000 5% 5-20-year (opt.) water-works bonds voted on Aug. 21 (V. 93, p. 747) and offered Nov. 24, were rejected.

SHREVEPORT, Caddo Parish, La.—Bond Sale.—The Commercial Nat. Bank of Shreveport on Nov. 27 was awarded, it is stated, the \$100,000 4½% fair-ground-impt. bonds voted July 18 (V. 93, p. 305).

SOUTH PORTLAND, Cumberland County, Me.—Bond Sale.—On Nov. 29 the \$25,000 4% 10 2-3-year (average) coupon funding bonds (V. 93, p. 1492) were awarded to E. M. Farnsworth & Co. of Boston at 101.81 and int.—a basis of about 3.80%. Other bids follow:

E. H. Rollins & Sons, Bos. 101.66	Adams & Co., Boston. 101.07
Hayden, Stone & Co., Portl. 101.469	O'Connor & Kahler, N. Y. 101.03
Fred. F. Talbot. 101.41	Noyes & Fletcher. 100.81
Estabrook & Co., Boston. 101.225	Chas. H. Gilman. 100.62
N.W. Harris & Co., Inc., Bos. 101.225	Perry, Coffin & Burr, Bos. 100.52
Geo. A. Fernald & Co., Bos. 101.14	Merrill, Oldham & Co., Bos. 100.09

SPOKANE, Wash.—Bond Offering.—Proposals will be received until 12 m. Dec. 23 by the Sinking Fund Commissioner, at the office of James McGougan, City Auditor, for the following bonds:

\$875,000 50-year park bonds at not exceeding 4½% interest.

50,000 20-year general-improvement bonds at not exceeding 5% int.

Date Jan. 1 1912. Int. J. & J. Cert. check for 2% of bid required.

All bids are to be made upon the condition of the acceptance of the bonds upon the approval of the legality of the same by Wood & Oakley of Chicago.

The official notice of this bond offering will be found among the advertisements elsewhere in this Department.

SPRINGFIELD, Stark County, Ohio.—Bond Sale.—On Nov. 28 the \$12,563 10 4½% 21-year coupon sewer-construction (city's portion) bonds (V. 93, p. 1278) were awarded to A. E. Aub & Co. of Cincinnati for \$13,353 10 (106.287) and int. Bids were also received from Seasongood & Mayer and Well, Roth & Co. of Cincinnati.

SUPERIOR, Nuckolls County, Neb.—Bonds Not Sold.—No award was made on Nov. 24 of \$4,500 5% 5-20-year (opt.) sewerage bonds. Auth. vote of 266 to 67 at an election held Oct. 20. Denom. \$500. Date Nov. 1 1911. Interest annual.

TACOMA, Wash.—Bonds Sold During October.—The following 7% special-impt. assess. bonds, aggregating \$23,799 22, were disposed of during October:

Amount.	Purpose.	Date.	Due.
\$15,246 93	Paving bonds	Oct. 4 1911	Oct. 4 1921
1,760 90	Grading bonds	Oct. 4 1911	Oct. 4 1916
4,386 00	Water-main bonds	Oct. 18 1911	Oct. 18 1916
1,983 54	Cement-walk bonds	Oct. 18 1911	Oct. 18 1916
421 85	Paving bonds	Oct. 18 1911	Oct. 18 1921

TECUMSEH, Johnson County, Neb.—Bond Offering.—Proposals will be received until 4 p. m. Dec. 18 for the following 5% public-impt. bonds:

\$7,000 sewer bonds. Date Jan. 1 1912. Int. semi-ann. Due 20 years, opt. after 5 years.

15,000 water bonds. Date Dec. 1 1911. Int. semi-ann. Due 20 years, opt. after 5 years.

7,500 water-extension bonds. Date Jan. 1 1912. Int. ann. Due 20 years, opt. after 10 years.

Denom. \$500. Int. payable in New York. Official circular states that there is no controversy or litigation pending or threatened against the city;

NEW LOANS.

CITY OF SPOKANE

\$875,000

50-YEAR PARK BONDS

\$50,000

20-YEAR GENERAL IMPT. BONDS

Sealed proposals will be received by the Sinking Fund Commission of the City of Spokane, Washington, at the office of the City Auditor of said City, up to 12 O'CLOCK NOON OF THE 23RD DAY OF DECEMBER, 1911, for the purchase of all or any portion of the following bond issues:

\$875,000 50-Year Park Bonds.

50,000 20-Year General Improvement Bonds. No bid will be considered for the Park Bonds which is for an amount less than \$25,000 or multiple thereof; for the General Improvement bonds which is for an amount less than \$10,000 or multiple.

Park bonds are to be issued for the purpose of acquiring and improving parks, parkways, playgrounds and boulevards, and bear date of January 1, 1912, and payable 50 years after date, and interest at a rate not to exceed 4½% annually, payable semi-annually.

General Improvement Bonds are to be issued for the purpose of funding a working fund to purchase Local Improvement warrants issued to laborers and material men under the day labor plan of local improvements, and bear date of January 1, 1912, and payable 20 years after date, and interest at a rate not to exceed 5% annually, payable semi-annually.

All bids are to be made upon the condition of the acceptance of the bonds upon the approval of the legality of the same by Messrs. Wood & Oakley, attorneys of Chicago, Illinois. No bids can be accepted for less than the par value of said bonds and the accrued interest, and said commission reserves the right to reject any and all bids, and each bid must be accompanied by a certified check for two per cent of the amount of the bid submitted.

Both issues of bonds are to be a general obligation of the whole city.

JAMES MCGOUGAN,
City Auditor.

HODENPYL, HARDY & CO.

7 Wall St New York

Railroad, Street Ry., Gas & Elec. Light

SECURITIES

Sutherland & Company
MUNICIPAL BONDS

Commerce Building,

KANSAS CITY, MISSOURI

NEW LOANS.

\$4,000,000

STATE OF CONNECTICUT.

FOUR PER CENT BONDS

FOR SALE

Treasury Department,

Hartford, Nov. 16, 1911.

Sealed proposals will be received by the Treasurer at the Treasury Department in the Capitol at Hartford until 11 a. m., December 21, 1911, for the purchase of the whole or any part of Four Million Dollars (\$4,000,000) of Four Per Cent (4%) State Bonds, to be issued under date of July 1 1911, and to mature July 1, 1936. Interest payable semi-annually on the first days of January and July of each year.

These Bonds are authorized by Act of the General Assembly approved September 19, 1911 Bonds are either Coupon or Registered.

Full particulars may be obtained by addressing "State Treasurer, Hartford."

COSTELLO LIPPITT, Treasurer.

\$250,000

JACKSONVILLE, FLORIDA,

IMPROVEMENT BONDS

Sealed proposals will be received by the Board of Bond Trustees of Jacksonville, Florida, until MONDAY, DECEMBER 18TH, 1911,

at 3 o'clock p. m., for the purchase of all or any part of \$250,000 00 four and a half per cent Improvement Bonds of the City of Jacksonville, Florida. The legality of these bonds has been approved by Messrs. Dillon, Thomson & Clay of New York. Printed circulars containing more definite information with reference to said bonds, and blank forms for bids, can be had on application to the Secretary of the Board of Bond Trustees, Jacksonville, Florida, or to Messrs. Dillon, Thomson & Clay, 195 Broadway, New York.

W. M. BOSTWICK Jr.,
Chairman Board of Bond Trustees.

BLODGET & CO.

BONDS

60 STATE STREET, BOSTON

30 PINE STREET, NEW YORK

STATE, CITY & RAILROAD BONDS

NEW LOANS.

\$140,000

City of Beaumont, Texas,

5% BONDS

Sealed bids will be received by the City Council of the City of Beaumont, Texas, from JANUARY 1ST, 1912 TO JANUARY 16TH, 1912, at 9 o'clock A. M., for the purchase of all or any part of \$140,000 bonds, as follows, to-wit:—

\$50,000 Sewer Bonds,
\$25,000 Street Improvement and Repair Bonds,
\$25,000 School House Building Bonds,
\$25,000 Abattoir Bonds,
\$15,000 Jail Bonds.

All of said bonds being of the denomination of \$1,000 each, dated December 1st, 1911, maturing December 1st, 1951, subject to the right of the City to redeem all or any part of said bonds at any time after twenty years from the date thereof, at par and accrued interest, and bearing interest at the rate of 5% per annum, payable semi-annually on the First day of June and the First day of December of each year. The principal and interest payable in lawful money of the United States of America at the office of the City Treasurer, Beaumont, Texas, or at the Chase National Bank, New York City, at the option of the holder.

Each bid must be made on blank form furnished by the City and must be accompanied by a duly certified check on some bank of the City of Beaumont for Two (2%) Per Cent of the par value of the bonds bid for. The bid should be in a sealed envelope marked "Bids for City Bonds," and addressed to J. G. Sutton, City Secretary, Beaumont, Texas.

The bids to be considered, must be filed with him by or before Tuesday, January 16th, 1912, 9 o'clock A. M. The right is reserved by the City to reject any or all bids.

J. G. SUTTON,
City Secretary,
Beaumont, Texas.

\$150,000

MOBILE COUNTY, ALA.,

ROAD BONDS

The Board of Revenue and Road Commissioners of Mobile County respectfully call for bids for \$150,000 in Road Bonds. Bids to be opened at noon of MONDAY, DECEMBER 18TH, 1911. For particulars address,

GEO. E. STONE,
County Treasurer,
Mobile, Ala.

MUNICIPAL AND RAILROAD BONDS

LIST ON APPLICATION

SEASONGOOD & MAYER

Ingalls Building
CINCINNATI

also no previous issues have ever been contested and the city has never failed to pay interest or principal when same was due. N. M. Davidson is City Clerk.

THOMPSON, Winnebago County, Iowa.—*Bond Election.*—A vote will be taken on Dec. 18 on a proposition to issue \$5,000 water-works bonds.

TONAWANDA, Erie County, N. Y.—*Bond Offering.*—It is stated that City Treasurer C. L. Wolf will receive bids until 8 p. m. Dec. 6 for \$150,000 5% 1 to 30-year (ser.) refunding bonds. Int. semi-ann. Certified check for \$1,000 required.

TUOLUMNE COUNTY (P. O. Sonora), Cal.—*Bond Offering.*—Proposals will be received until 10 a. m. Dec. 4 by the Treasurer. It is stated, for \$25,000 6% Columbia road division bonds. Denom. \$500.

WASHINGTONVILLE UNION SCHOOL DISTRICT (P. O. Washingtonville), Columbiana County, Ohio.—*Bond Offering.*—Proposals will be received until 7 p. m. Dec. 28 by J. M. Paisley, Clerk Bd. of Ed., for \$15,000 5% bldg. bonds. Authority Secs. 7625-7630 incl., Gen. Code. Denom. \$500. Int. ann. Due \$500 yearly Sept. 15 from 1913 to 1914 incl. and \$1,000 yearly Sept. 15 from 1915 to 1920 incl. Cert. check on a bank other than the one making the bid, for 2% of bid, payable to the Clerk Bd. of Ed., required.

WEEHAWKEN TOWNSHIP, Hudson County, N. J.—*Bond Offering.*—Proposals will be received until 8 p. m. Dec. 18 by the Twp. Committee for \$15,000 4½% coup. fire-house bonds. Authority Chapter 129, Laws of 1905. Denom. \$1,000. Date July 1 1911. Int. J. & J. Due July 1 1931. Cert. check for 2% of bonds bid for, payable to H. J. Coyle, Twp. Treasurer, required.

The official notice of this bond offering will be found among the advertisements elsewhere in this Department.

WEST UNITY, Williams County, Ohio.—*Bond Offering.*—Proposals will be received until 12 m. Dec. 16 by Henry Reifel, VII. Clerk, for \$7,500 4½% coup. Jackson & Main sts. impt. (village's portion) bonds. Auth., Sec. 3821 and 3939, Gen. Code. Denom. \$500. Date Dec. 1 1911. Int. J. & D. at Treas. office. Due \$500 each six months from Feb. 1 1913 to Feb. 1 1916 incl. and \$1,000 each six months from Aug. 1 1916 to Feb. 1 1918 incl. Cert. check on a bank in West Unity for 5% of bonds bid for, payable to Treas., required. Bonds to be delivered and paid for on or before Dec. 20.

WICHITA, Kan.—*Bond Election.*—An election will be held Dec. 12, local papers state, to vote on the following propositions:

First. Shall the city of Wichita build a new water plant costing not to exceed \$1,000,000, and an electric-light plant costing not more than \$200,000?

Second. Shall the city of Wichita buy the present water plant at a price not beyond \$900,000 and install a lighting plant costing not over \$200,000?

Third. Shall the city of Wichita neither build a new plant, nor buy the old plant, but proceed to regulate the old water plant?

Fourth. Shall the city issue \$60,000 bonds to build two new school buildings for colored pupils?

On June 19 the City Commissioners rejected the offer of the Wichita Water Co. to sell its plant for a little over \$1,200,000. V. 92, p. 1713.

WILMINGTON, New Hanover County, No. Caro.—*Bond Sale.*—On Nov. 29 the \$400,000 4½% 40-year street, water and sewer bonds (V. 93, p. 1493) were awarded, \$300,000 to the Southern National Bank and

\$100,000 to the Atlantic Trust & Banking Co. at 100.01 and int. Bids were also received from the American National Bank—par plus \$885; People's Savings Bank, Wilmington Savings & Trust Co. and the Murchison National Bank—par plus \$301. Successful bidders agreed to pay 4% int. on proceeds of bonds to be deposited with them, while the other banks desired deposits made with them without exaction of interest. The City Treasurer, T. D. Meares, writes: "Estimate of possible interest on deposits varies from \$6,000 to \$12,000, dependent, of course, upon the time deposits remain."

YOLO COUNTY (P. O. Woodland), Cal.—*Bond Election.*—Reports state that the election to vote on the proposition to issue \$300,000 court-house and jail bonds will be held Dec. 28.

YONKERS, N. Y.—*Bond Sale.*—On Nov. 28 the \$115,000 4½% 1-20-year (serial) reg. local-impt. bonds were awarded to R. M. Grant & Co. of New York City at 102.378—a basis of about 4.22%. The other bids follow:
E. H. Rollins & Sons, N. Y. 102.296 | Kountze Bros., New York 102.047
N. W. Halsey & Co., N. Y. 102.179 | Parkinson & Burr, N. Y. 102.0333
R. L. Day & Co., N. Y. 102.177 | Chisholm & Chapman, N. Y. 101.909
Kissel, Kinnicutt & Co., N. Y. 102.1313 | Sutro Bros. & Co., N. Y. 101.901
Ferris & White, N. Y. 102.12 | A. B. Leach & Co., N. Y. 101.712
James R. Magoffin, N. Y. 102.09 | Harris, Forbes & Co., N. Y. 101.691
Estabrook & Co., N. Y. 102.063 | Farson, Son & Co., N. Y. 101.253

Canada, its Provinces and Municipalities.

ALLISTON, Ont.—*Debenture Sale.*—The Ontario Securities Co., Ltd., of Toronto, has been awarded \$16,653 4½ and 5% debentures.

BERLIN, Ont.—*Debenture Sale.*—Reports state that \$45,150 4½ and 5% 30-installment debentures were awarded to C. H. Burgess & Co. of Toronto.

Loan Election Proposed.—A by-law will be voted on at the municipal elections to raise \$10,000 for a motor truck and alarm boxes, according to reports.

BIGGAR, Sask.—*Debenture Offering.*—This place is offering for sale \$12,000 permanent impt. debentures, according to reports. J. Lukey is Secretary-Treasurer.

BLAIRMORE, Alta.—*Loan Election Proposed.*—An election will probably be held, reports state, to vote on by-laws providing for loans of \$45,000 for a water-works system and \$5,000 for a fire-hall.

BROOKLAND SCHOOL DISTRICT NO. 2302, Alberta.—*Debenture Sale.*—The Alberta School Supply Co. of Edmonton has been awarded \$800 6% 10-year debentures at 100.625. Date Oct. 28 1911. Int. annual.

CARMANGAY, Alberta.—*Debenture Sale.*—According to reports Nay & James, of Regina, have been awarded \$25,000 5½% 20-year debentures.

DAVIDSON, Sask.—*Debenture Sale.*—On Nov. 20 the \$10,000 electric-light and \$6,000 municipal rink 5½% debentures (V. 93, p. 1216) were awarded to C. H. Burgess & Co. of Toronto at 98.525 and int. Other bids follow:

Ontario Sec. Co., Ltd., Tor. \$15,737 | W. A. Mackenzie & Co., Tor. \$15,007
Nay & James, Regina. 15,227 | Brent, Noxon & Co., Tor. 14,911
Nat. Finance Co., Ltd., Reg. 15,178 | Dominion Sec. Corp., Ltd., Tor. 14,880

MISCELLANEOUS.

OFFICE OF THE ATLANTIC MUTUAL INSURANCE COMPANY.

New York, January 20th, 1911.

The Trustees, in conformity with the Charter of the Company, submit the following statement of its affairs on the 31st of December, 1910.

Premiums on Marine Risks from 1st January, 1910, to 31st December, 1910.....\$3,981,997 35

Premiums on Policies not marked off 1st January, 1910.....685,546 90

Total Marine Premiums.....\$4,667,544 25

Premiums marked off from 1st January, 1910, to 31st December, 1910.....\$3,793,863 83

Interest received during the year.....\$373,571 50

Rent less Taxes and Expenses.....146,586 91 \$520,158 41

Losses paid during the year which were estimated in 1909.....\$504,311 33

Losses occurred, estimated and paid in 1910.....1,021,356 12 \$1,525,667 45

Less Salvages.....\$195,931 27

Re-Insurances.....402,106 63 598,037 90

Net Losses.....\$927,629 55

Returns of Premiums.....\$132,651 56

Expenses, including officers' salaries and clerks' compensation, stationery, newspapers, advertisements, etc.....\$363,223 39

Net Income.....\$927,629 55

Assets.....\$13,274,497 90

Liabilities.....\$12,019,787 64

Estimated Losses and Losses Unsettled.....\$2,714,035 83

Premiums on Unterminated Risks.....873,680 37

Certificates of Profits and Interest Unpaid.....262,427 75

Return Premiums Unpaid.....146,084 03

Reserve for Re-Insurance Premiums & Claims not settled, including Compensation, etc.....160,000 00

Certificates of Profits Ordered Redeemed, Withheld for Unpaid Premiums.....22,459 61

Certificates of Profits Outstanding.....7,441,100 00

Real Estate Reserve Fund.....400,000 00

Aggregating.....\$13,274,497 90

Aggregating.....\$12,019,787 64

A dividend of interest of Six per cent on the outstanding certificates of profits will be paid to the holders thereof, or their legal representatives, on and after Tuesday the seventh of February next.

The outstanding certificates of the issue of 1905 will be redeemed and paid to the holders thereof, or their legal representatives, on and after Tuesday the seventh of February next, from which date all interest thereon will cease. The certificates to be produced at the time of payment and canceled.

A dividend of Forty per cent is declared on the earned premiums of the Company for the year ending 31st December, 1910, which are entitled to participate in dividend, for which, upon application, certificates will be issued on and after Tuesday the second of May next.

By order of the Board, G. STANTON FLOYD-JONES, Secretary.

TRUSTEES.

FRANCIS M. BACON, HERBERT L. GRIGGS, CHARLES M. PRATT,

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CORNELIUS ELDERT, Vice-President.

WALTER WOOD PARSONS, 2d Vice-President.

CHARLES E. FAY, 3d Vice-President.

JOHN H. JONES STEWART, 4th Vice-President.

NEW LOANS.

\$15,000

Township of Weehawken,

HUDSON COUNTY, N. J.

FIRE HOUSE BONDS

Under Chapter 129, Laws of New Jersey, 1905. Sealed proposals will be received by the Township Committee of the Township of Weehawken, in the County of Hudson, N. J., on MONDAY, DECEMBER 18TH, 1911, at eight o'clock P. M., at the Township Hall, Park Avenue, for the purchase of the following Four and One-Half Per Cent semi-annual coupon bonds.

Amount, \$15,000.

Purpose, Erection of Fire House.

Maturity, \$15,000 on July 1st, 1931.

Interest, January and July.

Denomination, \$1,000 each.

Dated, July 1st, 1911.

The bonds will be delivered upon payment of the purchase price, interest and premium. Each proposal must be accompanied by a certified check, payable to the order of Hugh J. Coyle, Township Treasurer, for an amount equal to Two Per Cent of the par value of the bonds bid for.

The Township Committee reserves the right to reject any and all bids if deemed for the interest of the Township so to do, but no bid for less than par and accrued interest will be entertained.

By order of the Township Committee.

THOMAS CARROLL, Township Clerk.

Thomas J. Bolger Co.

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CORPORATION AND

MUNICIPAL BONDS

FIRST NATIONAL BANK BUILDING

CHICAGO

DUNNVILLE, Ont.—Loan Election Proposed.—An election will be held Dec. 18 to vote on a by-law providing for a loan of \$24,000 for a water-works-system (V. 93, p. 1216).

ESTERHAZEY, Sask.—Debtenture Sale.—Nay & James, of Regina, have been awarded, it is stated, \$1,000 6% 15-year debentures.

GEORGETOWN, Ont.—Debtenture Offering.—Proposals will be received, it is stated, for \$3,000 5% debentures. H. W. Kennedy is Treasurer.

GLENWOOD SCHOOL DISTRICT, Man.—Debtenture Sale.—According to reports, J. G. Mackintosh & Co. of Winnipeg has been awarded \$10,000 5½% 20-installment debentures.

GUELPH, Ont.—Debtenture Election.—An election will be held, according to reports, to vote on the question of issuing \$40,000 fire debentures.

HAMILTON, Ont.—Debtenture Election.—An election will be held, it is stated, to vote on the question of issuing \$650,000 water-works, \$18,500 Gore Park convenience, \$65,000 fire-station and \$100,000 parks debentures.

KERR ROBERT SCHOOL DISTRICT, Sask.—Debtenture Sale.—It is stated that Nay & James, of Regina, have purchased \$30,000 6% 20-year debentures.

LADYSMITH, B. C.—Debtenture Sale.—On Nov. 20 (time extended from Nov. 6) the \$3,725 25 6% 15-year debentures (V. 93, p. 1217) were awarded to Brent, Noxon & Co. of Toronto for \$3,771 (101.228) and interest. Other bids follow:
C. H. Burgess & Co., Tor.---\$3,757 | W. A. Mackenzie & Co., Tor.---\$3,737

LAVALLE SCHOOL DISTRICT, Man.—Debtenture Sale.—J. G. Mackintosh & Co. of Winnipeg, it is stated, have been awarded \$6,000 5% 20-installment debentures.

LETHBRIDGE, Alta.—Loan Election.—An election will be held Dec. 11 to vote on a by-law providing for a loan of \$450,000 for a street-railway-system. Of this amount, reports state, \$150,000 will be for extending the power plant.

MARQUIS, Sask.—Debtenture Sale.—Nay & James, of Regina, have been awarded, it is stated, \$15,000 8% 10-year debentures.

MEDICINE HAT, Alta.—Loan Election Proposed.—A by-law providing for a loan of \$45,000 for water-works-extension will be submitted to the ratepayers at the coming election, it is stated.

MOORE PARK SCHOOL DISTRICT, Man.—Debtenture Sale.—Reports state that J. G. Mackintosh & Co. of Winnipeg have purchased \$7,000 5½% 20-installment debentures.

NELSON, B. C.—Loan Election Proposed.—An election will be held shortly, reports state, to vote on a loan of \$15,000 for hospital purposes.

NORTH TORONTO, Ont.—Debtenture Offering.—Proposals will be received until 12 m. Dec. 9 by H. E. Stevenson, Town Treas., for \$25,000 road and \$20,000 street-ext. 4½% coup. debentures. Date Dec. 1 1911. Int. semi-ann. at the Imperial Bank in Davisville. Principal due in 20 annual installments. Purchaser to pay accrued interest.

OWEN SOUND, Ont.—Debtenture Sale.—It is reported that the Ontario Securities Co., Ltd., of Toronto, was awarded \$4,685 4% debentures.

POINT CLAIRE, Que.—Loan Proposed.—This municipality is considering the issuance of a loan to install drains, water-works and electric-light.

POPLAR CREEK SCHOOL DISTRICT NO. 2774, Sask.—Debtenture Sale.—On March 6 \$1,500 6% bldg. debentures were awarded to Anderson Lunney & Co. of Regina for \$1,501. Date July 15 1911. Int. ann. in January. Due part yearly beginning Jan. 15 1913.

PORTAGE LA PRAIRIE, Man.—Debtenture Sale.—The Ontario Securities Co., Ltd., of Toronto, has been awarded, it is stated, \$10,000 5% 30-year debentures.

PORT CREDIT, Ont.—Loan Election.—The ratepayers will vote on Jan. 1 1912, it is stated, on a by-law providing for a loan of \$7,500 for a hydro-electric-power plant.

RED DEER, Alta.—Debtenture Sale.—On Nov. 20 the eight issues of 5% debentures, aggregating \$63,600 (V. 93, p. 1279), were awarded to Wood, Gundy & Co., of Toronto, for \$61,146 (96.141) and int. Other bids follow:
Nat. Finance Co., Ltd., Regina. \$60,748 | British-America Secur. Co.---\$60,200
Brent, Noxon & Co., Tor.--- 60,616 | W. A. Mackenzie & Co., Tor. 59,612
C. H. Burgess & Co., Tor.--- 60,286 | Ontario Sec. Co., Ltd., Tor. 59,117

REGINA, Sask.—Loan Election.—A by-law providing for a loan of \$15,000 for an educational building will be submitted to the ratepayers, it is reported, on Dec. 11.

SACRE COEUR SCHOOL DISTRICT, Sask.—Debtenture Sale.—An issue of \$5,500 6½% 20-year debentures has been awarded to Nay & James, of Regina.

ST. CATHARINES, Ont.—Debtenture Election.—An election will be held, it is stated, to vote on the question of issuing \$38,000 gas-works-purchasing debentures.

ST. DENIS SCHOOL DISTRICT NO. 166 (P. O. Vonda), Sask.—Debtenture Sale.—During October \$1,500 6% 10-installment debentures were awarded to the Western School Supply Co. of Regina at 101.40. Interest annually in January.

SASKATOON, Sask.—Debtenture Election.—The election to vote on the question of issuing the \$72,000 sewer, \$6,000 Collegiate Institute furnishings, \$300,000 hospital, \$75,000 new pumping plant and \$7,000 for the board of trade building debentures (V. 93, p. 1494), will be held Dec. 11, it is stated.

SPRINGFIELD SCHOOL DISTRICT, Man.—Debtenture Sale.—J. G. Mackintosh & Co. of Winnipeg, it is reported, have purchased \$10,000 6% 20-installment debentures.

VANCOUVER, B. C.—Debtentures Election Proposed.—This place is considering holding an election to vote on the question of issuing \$2,000,000 debentures, it is stated.

VICTORIA, B. C.—Debtenture Sale.—The Dominion Securities Corp., Ltd., of Toronto, have been awarded at private sale, it is stated, \$1,501.-969 06 50-year, \$230,682 25-year and \$267,236 62 4% 10-year local-improvement debentures.

WATERFORD, Ont.—Loan Voted.—Reports state the election held Nov. 20 resulted in favor of the by-law providing for the loan of \$7,000 to install an electric-light-plant.

WINGHAM, Ont.—Loan Voted.—The by-law providing for the loan of \$10,750 as a bonus to the Western Foundry Co. carried by a vote of 365 to 16 at the election held Nov. 24 (V. 93, p. 1418). Int. rate 6%. Due 1922

BOND CALL.

Bond Call

CITY OF MANCHESTER, VA.

CITY AUDITOR'S OFFICE,

Richmond, Va., December 1st, 1911.

Holders of City of MANCHESTER, VA., five per cent (5%) BONDS, payment of which has been assumed by the CITY OF RICHMOND, are hereby notified to present them at this office for REDEMPTION on or after the 1st day of January, 1912, as they will cease to bear interest from that date.

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Auditor.

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Branch Office, 1415 Chestnut Street

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President

Edmund D. Scheley
Secretary

Samuel E. Carter
Treasurer

Thomas B. Prosser
Real Estate Officer

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LONDON OFFICE:
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Pays interest on daily balances.

Executes trusts of every description.

Trust Companies.

United States Trust Company of New York,

Chartered 1853

45 and 47 WALL STREET

CAPITAL, \$2,000,000.00
 SURPLUS AND UNDIVIDED PROFITS 13,800,278.67

This Company acts as Executor, Administrator, Guardian, Trustee, Court Depositary and in other recognized trust capacities.
 It allows interest at current rates on deposits.
 It holds, manages and invests money, securities and other property, real or personal, for estates, corporations and individuals.

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Lyman J. Gage,
 Payne Whitney,
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 Chauncey Keep,
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 William Stewart Tod,
 Ogden Mills,
 Egerton L. Winthrop,
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NEWARK, N. J.

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CHARTERED 1864

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Uptown Office: 425 Fifth Avenue, corner 38th Street,
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Surplus (earned) \$7,900,000

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7 Wall Street, } NEW YORK
 120 Broadway, }

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Surplus \$10,000,000

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 Rolla Wells.

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 SURPLUS 3,000,000

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 H. Martin Brown, Vice-President
 Otis Everett, Vice-President
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 H. Howard Pepper, Trust Officer and Asst. Treas.
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TWO SECTIONS—SECTION TWO

The Commercial & Financial Chronicle

BANKERS' CONVENTION SECTION.

CONTAINING REPORT OF THE

Convention of American Bankers' Association

Held at New Orleans, November 21, 22, 23 and 24, 1911.

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December 2, 1911.

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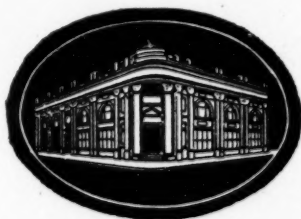
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stated period.*

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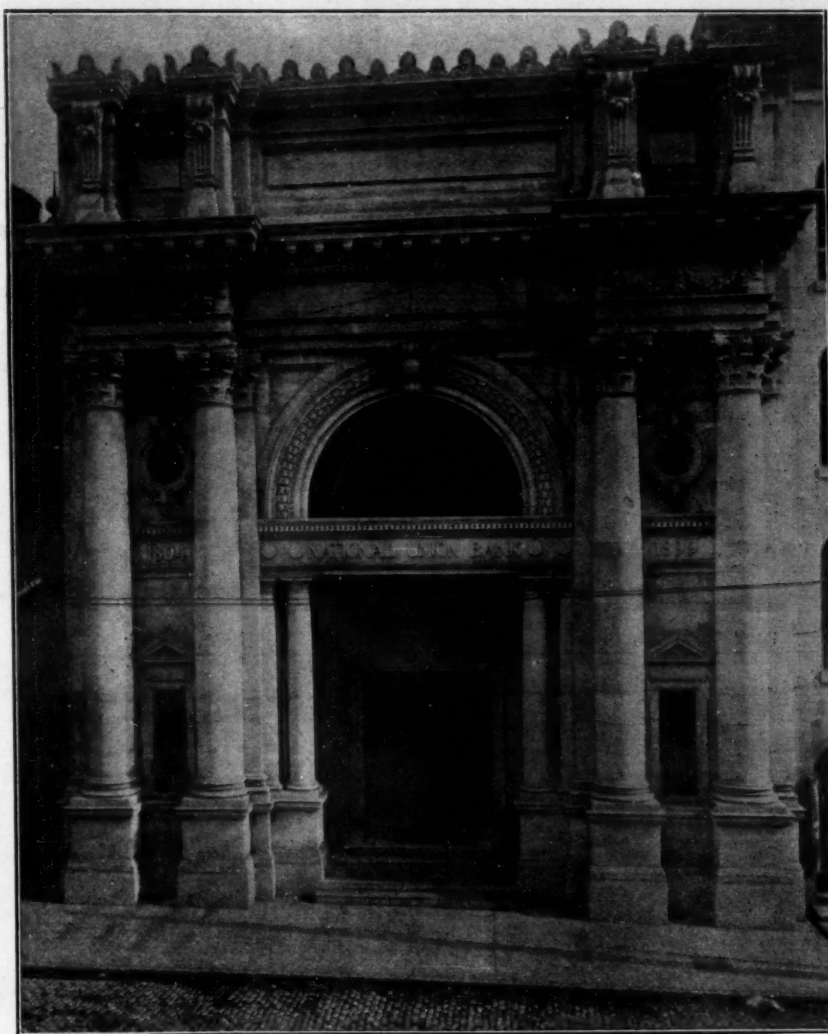
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Capital, \$1,000,000

Surplus and Undivided Profits, Net, at the
close of Oct. 4th, 1911. . . \$655,243.39



WILLIAM WINCHESTER, President

ROBERT A. DIGGS, Cashier

MILTON B. WILLIAMS, Asst. Cashier

DIRECTORS

WM. WINCHESTER, President.
WM. A. MARBURG, Capitalist.
H. CRAWFORD BLACK, President of the Black,
Sheridan & Wilson Co., Wholesale Coal Dealers.
R. BRENT KEYSER, President Board of Trustees
Johns Hopkins University.
EDWIN G. BAETJER, of Venable, Baetjer & Howard,
Attorneys-at-Law.
ROBT. K. WARING, President Central Savings Bank.

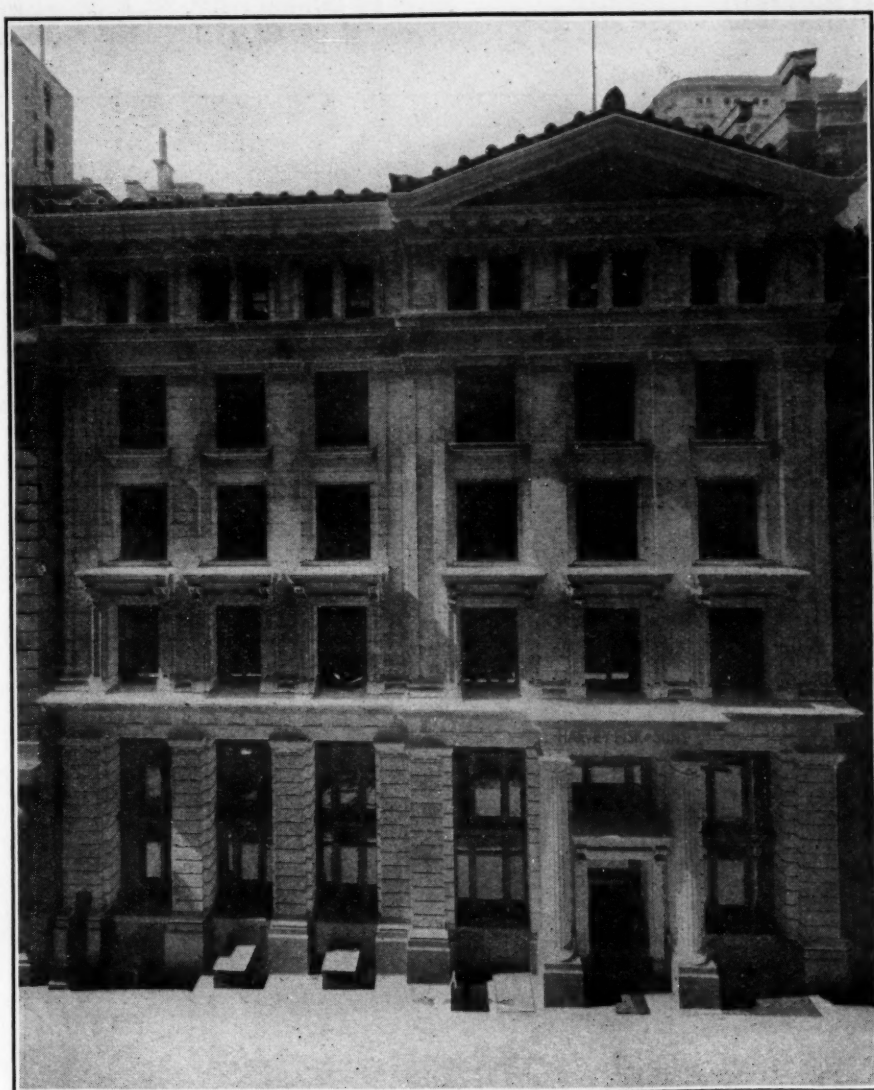
CLARENCE W. WATSON, U. S. Senator from West
Virginia.
E. STANLEY GARY, of Jas. S. Gary & Son, Manu-
facturers of Cotton Goods.
EDWARD P. GILL, of Wm. D. Gill & Son, Lumber
Merchants.
R. CURZON HOFFMAN, JR., of R. C. Hoffman & Co.,
Iron, Steel and Railway Supplies.

ACCOUNTS AND CORRESPONDENCE SOLICITED

Excellent connections for collecting items on Southern Atlantic Coast Cities and
States, at rates depending upon balances maintained by correspondents with us.

HARVEY FISK & SONS

62 CEDAR STREET, NEW YORK



United States Bonds

MUNICIPAL, RAILROAD
AND OTHER
INVESTMENT SECURITIES

Clark, Dodge & Co.

(Established 1847)

BANKERS

51 Wall Street NEW YORK

Dealers in Bonds suitable for
National, State and Savings Banks,
Estates and individuals.

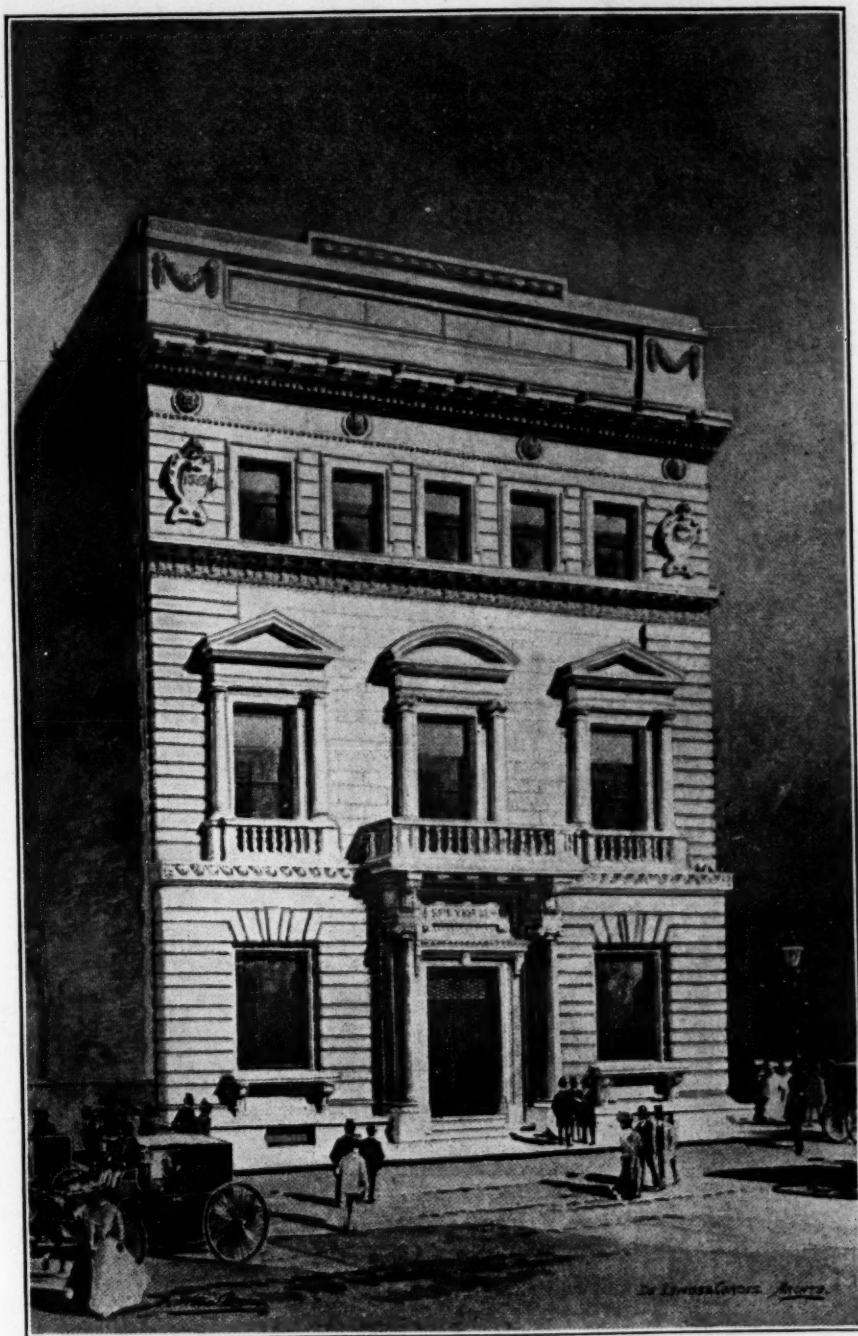
Specialize in Bonds of the highest
grade, suitable for Postal Savings
funds, etc.

Statistical information furnished
trustees and investors.

Negotiate security issues of Rail-
road, Public Utility and Industrial
Corporations, and act as fiscal agents.

SPEYER & CO.

24-26 Pine Street, NEW YORK



AGENTS FOR

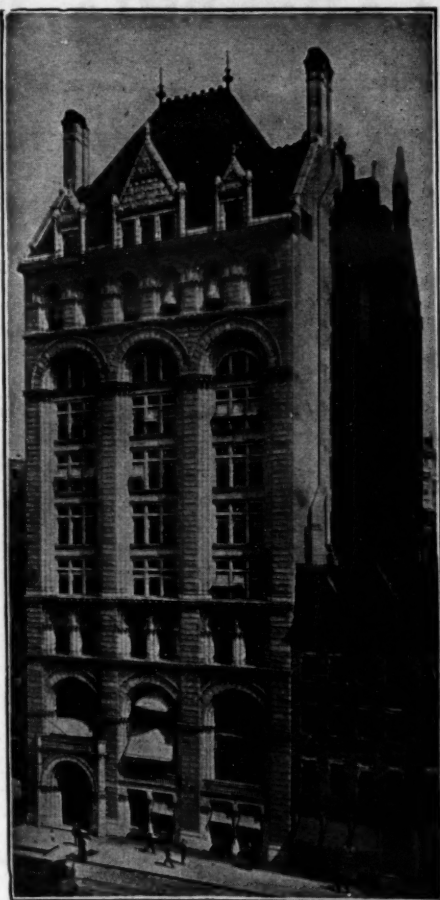
SPEYER BROTHERS - - - - London
LAZARD SPEYER-ELLISSEN - Frankfort ^o/M
GEBR. TEIXEIRA de MATTOS - Amsterdam

UNION TRUST COMPANY

OF NEW YORK

CHARTERED 1864

=====
**Main
Office:
80 Broadway**
=====



MAIN OFFICE, 80 BROADWAY.

=====
**Uptown
Branch:
425 Fifth
Avenue**
=====

Capital \$1,000,000.00 Surplus \$7,960,608.67

Total Resources \$71,485,770.11

OFFICERS

EDWIN G. MERRILL, President

AUGUSTUS W. KELLEY, Vice-President JOHN V. B. THAYER, Vice-President and Secy.

EDWARD R. MERRITT, Vice-President CARROLL C. RAWLINGS, Trust Officer

HENRY M. POPHAM, Asst. Secretary T. W. HARTSHORNE, Asst. Secretary

HENRY M. MYRICK, Asst. Secretary

TRUSTEES

**H. VAN RENSSELAER KENNEDY,
W. EMLIN ROOSEVELT,
AUGUSTUS W. KELLEY,
N. PARKER SHORTRIDGE,
CHARLES H. TWEED,
JAMES SPEYER,**

**ROBERT WALTON GOELET,
WILLIAM WOODWARD,
JOHN V. B. THAYER,
AMORY S. CARHART,
WALTER P. BLISS,
FREDERIC deP. FOSTER,
WM. H. NICHOLS, JR.**

**AMOS F. ENO,
ADRIAN ISELIN, JR.,
JAMES GORE KING,
EDWIN G. MERRILL,
M. ORME WILSON,
V. EVERIT MACY,**

FRANK TRUMBULL.

The **Pennsylvania Company**

For Insurances on Lives and Granting Annuities

PHILADELPHIA, PA.

(Trust and Safe Deposit Company)

INCORPORATED MARCH 10, 1812.

CHARTER PERPETUAL.

CAPITAL
\$2,000,000



SURPLUS
\$4,000,000

Chartered to act as Executor, Administrator, Trustee, Guardian, Assignee, Committee, Receiver, Agent, etc., for the faithful performance of which duties all of its capital and surplus are liable. All Trust Investments are kept separate and apart from the assets of the Company. Interest allowed on individual and corporation accounts subject to check.

OFFICERS

C. S. W. PACKARD, President.

THOMAS S. GATES, Vice-President.

JAY GATES, Trust Officer.

A. V. MORTON, Treasurer.

JOHN J. R. CRAVEN, Secretary.

C. S. NEWHALL, Asst. Treasurer.

C. OSBORNE, Asst. Trust Officer.

J. WILLIAMSON II, Asst. Secretary.

JOSEPH R. CARPENTER, Jr., 2nd Ass't Treasurer.

DIRECTORS

C. S. W. PACKARD

ARTHUR E. NEWBOLD

J. PERCY KEATING

EDWARD H. COATES

GEORGE H. FRAZIER

ALFRED C. HARRISON

WILLIAM W. JUSTICE

THOMAS DeWITT CUYLER

ALBA B. JOHNSON

EDWARD MORRELL

GEORGE F. BAER

SAMUEL T. BODINE

CHARLES B. PENROSE, M. D.

BANKERS TRUST COMPANY

7 Wall Street - NEW YORK - 120 Broadway

CAPITAL - - \$5,000,000

SURPLUS - - 10,000,000

DIRECTORS

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President National Bank of
Commerce, New York.

STEPHEN BAKER,
President Bank of the Man-
hattan Co., New York

SAMUEL G. BAYNE,
President Seaboard Na-
tional Bank, New York

EDWIN M. BULKLEY,
Spencer Trask & Co.,
Bankers, New York

JAMES G. CANNON,
President Fourth National
Bank, New York

EDMUND C. CONVERSE,
President, New York

T. DeWITT CUYLER,
President Commercial Trust
Co., Philadelphia

HENRY P. DAVISON,
J. P. Morgan & Co., Bank-
ers, New York

RUDOLPH ELLIS,
President Fidelity Trust Co.,
Philadelphia

E. HAYWARD FERRY,
Vice-President Hanover
Nat. Bank, New York

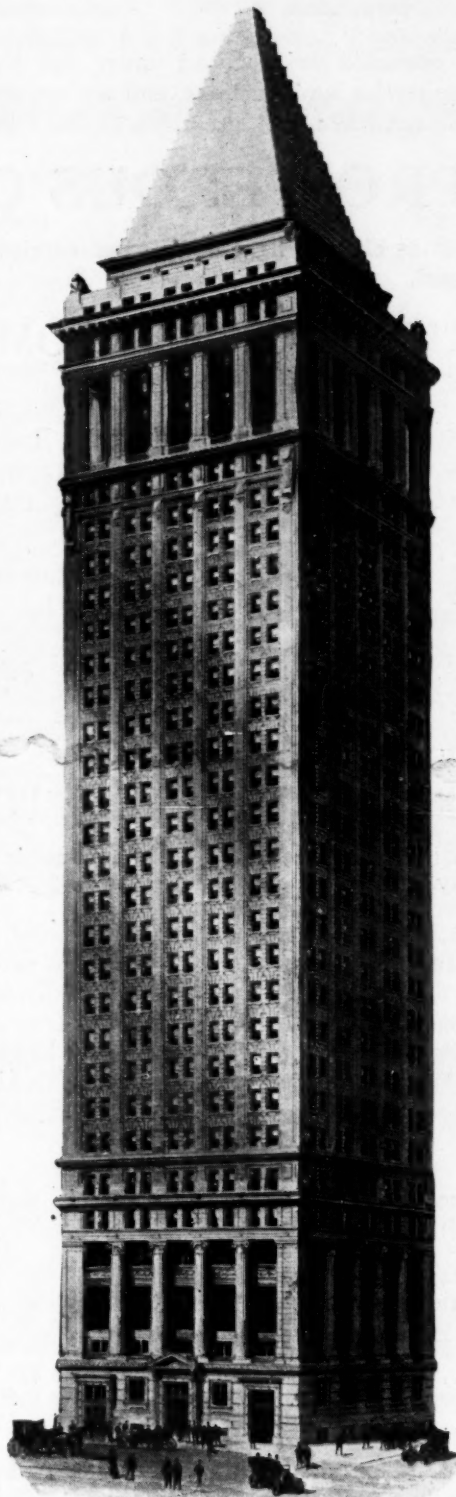
WALTER E. FREW,
President Corn Exchange
Bank, New York

FRED'K T. HASKELL,
V-Pres't Illinois Trust and
Savings Bank, Chicago

A. BARTON HEPBURN,
Chairman of the Board,
Chase Nat. Bank, New York

FRANCIS L. HINE,
President First National
Bank, New York

THOMAS W. LAMONT,
J. P. Morgan & Co., Bank-
ers, New York



DIRECTORS

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Blair & Co., Bankers, New
York

JOSEPH B. MARTINDALE,
President Chemical National
Bank, New York

GATES W. MCGARRAH,
Pres't Mechanics' and Me-
tals Nat. Bank, New York

CHARLES D. NORTON,
Vice-President First Na-
tional Bank, New York

GEORGE W. PERKINS,
New York

WILLIAM C. POILLON,
Vice-President, New York

DANIEL E. POMEROY,
Vice-President, New York

WILLIAM H. PORTER,
J. P. Morgan & Co., Bank-
ers, New York

DANIEL G. REID,
Vice-President Liberty Na-
tional Bank, New York

BENJ. STRONG, Jr.,
Vice-President, New York

EDWARD F. SWINNEY,
President First National
Bank, Kansas City

GILBERT G. THORNE,
Vice-President National
Park Bank, New York

EDWARD TOWNSEND,
Pres't Importers and Trad-
ers' Nat. Bank, New York

ALBERT H. WIGGIN,
President Chase National
Bank, New York

SAMUEL WOOLVERTON,
President Gallatin National
Bank, New York

New Building, 16 Wall Street. To be occupied May 1, 1912.

Affords exceptional security and service as a Depositary for the inactive accounts of Banks and Trust Companies

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D. E. POMEROY, *Vice Pres.*
F. N. B. CLOSE, *Secretary*
H. W. DONOVAN, *Asst. Treas.*
R. H. GILES, *Asst. Treas.*

B. STRONG, JR., *Vice Pres.*
F. I. KENT, *Vice Pres.*
G. W. BENTON, *Treasurer*
B. W. JONES, *Asst. Sec'y.*
H. N. DUNHAM, *Asst. Treas.*

W. C. POILLON, *Vice Pres.*
H. B. THORNE, *Vice Pres.*
G. RICHARDS, *Asst. Sec'y.*
H. F. WILSON, JR., *Asst. Sec'y.*
I. MICHAELS, *Trust Officer*

BERTRON, GRISCOM & JENKS

New York

Philadelphia

Paris

We maintain a large and thoroughly equipped organization for

EXAMINING
the properties of
public service corporations

PURCHASING
public service
corporations

OPERATING
public service
corporations

SELLING
public service corporation
securities

As such companies are operated and financed under our direct supervision, we are thoroughly familiar with their properties and business, and we can therefore confidently recommend their securities to our customers. We call attention to the following

TWENTY PROSPEROUS COMPANIES

furnishing gas, electric railway or electric light and power service, either controlled by us or in which we are largely interested.

AMERICAN CITIES COMPANY

Subsidiary Properties:

New Orleans Railway & Light Co.
Birmingham Railway, Light & Power Co.
The Memphis Street Railway Co.

Little Rock Railway & Electric Co.
Knoxville Railway & Light Co.
Houston Lighting & Power Co., 1905

Earnings:

The large earnings and rapidly increasing business of these subsidiary properties are shown by the following comparative statement of earnings:

For the years ended September 30th.	1911.	1910.	Increase.	Per cent.
Gross (all sources).....	\$13,146,319	\$12,437,190	\$709,129	5.7%
Operating expenses and taxes.....	7,886,519	7,513,023	373,496	5.0%
Net earnings.....	5,259,800	4,924,167	335,633	6.8%

SUSQUEHANNA RAILWAY LIGHT & POWER COMPANY

Controls by stock ownership through the United Gas & Electric Company of New Jersey and the Lancaster County Railway & Light Company, the following Subsidiary Properties:

Altoona Gas Co., Altoona, Pa.
Citizens Gas & Fuel Co., of Terre Haute, Ind.
Colorado Springs Light, Heat & Power Co.
Elmira Water, Light & Railroad Co., Elmira, N. Y.
Hartford City Gas Co., Hartford, Conn.
Leavenworth Light, Heat & Power Co.
Lockport Light, Heat & Power Co., Lockport, N. Y.

Richmond Light, Heat & P. Co., Richmond, Ind.
Union Gas & Electric Co., Bloomington, Ill.
The Wilkes-Barre Co., Pa.
Conestoga Traction Co., Lancaster County, Pa.
The Edison Electric Co., Lancaster, Pa.
Lancaster Gas, Light & Fuel Co., Lancaster, Pa.
Conestoga Realty Co., Lancaster, Pa.

Earnings:

These properties are showing large annual increases in earnings, as is shown by the following comparative statement:

For the years ended September 30th, 1911 and 1910.	1911.	1910.	Increase.	Per cent.
Proportion of surplus earnings of subsidiary properties represented by their stock controlled by the Susquehanna Ry., Lt. & Power Co. after deduction of all charges.....	\$509,930.33	\$377,149.43	\$132,780.90	35.2%
Income from interest on securities, etc.....	53,514.55	59,044.61	.....	.....
All other income.....	37,588.40	17,924.35	19,664.05	.....
12 mos. Sus. Ry., Lt. & Pr. Co. pfd. stk, div.....	601,033.28	454,118.39	146,914.89	32.3%
	217,960.00	204,610.00	.....	.....
Balance	383,073.28	249,508.39	133,564.89	53½%

We shall be glad to correspond with investors and to submit for their consideration a carefully selected list of securities issued by companies in which we are interested.

Bonds yielding an income of 5 to 5½%
Preferred stock " " 5½ to 6½%

Special Circulars, Copies of Mortgages and Legal Opinions mailed upon request

New York Life Ins. and Trust Company

CHARTERED IN 1830

52 WALL STREET, NEW YORK

Grants annuities. Accepts Trusts created by Will or otherwise. Manages property as Agent for the owners. Allows interest on deposits payable after ten days' notice. Legal Depository for Executors, Trustees and Money in Suit.

Accepts only Private Trusts and declines all Corporation or other Public Trusts

HENRY PARISH, President

WALTER KERR, 1st Vice-President
HENRY PARISH, Jr., 2d Vice-President
S. M. B. HOPKINS, 3d Vice-President
Z. W. van ZELM, Secretary

IRVING L. ROE, Asst. Secretary
J. LOUIS van ZELM, Asst. Secretary
JOHN C. VEDDER, Asst. Secretary

TRUSTEES

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Henry Parish
Frederic W. Stevens
Stuyvesant Fish
Edmund L. Baylies
George S. Bowdoin
Henry C. Hulbert
Henry A. C. Taylor
C. O'D. Iselin
W. Emlen Roosevelt
H. Van Rensselaer Kennedy
John Jacob Astor

TRUSTEES

Joseph H. Choate
Samuel Thorne
John L. Cadwalader
Augustus D. Juilliard
Henry Lewis Morris
George G. DeWitt
Cornelius Vanderbilt
John McL. Nash
John Claflin
Cleveland H. Dodge
Thomas Denny
Lincoln Cromwell
Paul Tuckerman
Walter Kerr



CORNER-STONE OF THE OLD UNITED STATES BRANCH BANK
as mounted in the Office of the New York Life Insurance and Trust Company

STATEMENT

Made to the Banking Department of the State of New York at the close of business on September 29, 1911.

ASSETS		LIABILITIES	
Real Estate	\$ 2,662,923.26	Capital	\$ 1,000,000.00
Bonds and Mortgages.....	3,689,091.47	Surplus Fund and Undivided Profits	
Loans on Collaterals.....	2,637,621.70	(Market Value).....	4,156,666.21
Bills Receivable	15,064,531.27	Deposites in Trust.....	36,858,972.82
Cash on Deposit.....	1,969,336.63	Annuity Fund	2,338,373.17
Cash in Company's Vaults.....	5,300,000.00	Life Insurance Fund.....	382,699.92
Accrued Interest, Rents, Suspense		Interest Due Depositors, Taxes, &c....	1,008,540.51
Account, &c.....	1,056,788.67		
Bonds and Stocks (Market Value)....	13,364,959.63		
	\$45,745,252.63		\$45,745,252.63

Trust Company Service in New York City

THIS COMPANY, with ample capital, large resources, and an efficient and well systematized organization, which dates back to 1864, has the ability and disposition to give good trust company service.

Our various departments, including banking, foreign exchange, bond, trust, transfer, reorganization, and collection, are well equipped with modern facilities for transacting business promptly and economically.

For these reasons we feel justified in cordially inviting the New York accounts of banks and trust companies.

GUARANTY TRUST COMPANY OF NEW YORK

28 Nassau Street

Fifth Avenue Branch
5th Avenue & 43d Street

London Office
33 Lombard Street, E. C.

Capital and Surplus	.	.	.	\$23,000,000
Deposits	.	.	.	161,000,000

ORGANIZED
1838

NATIONALIZED
1865

THE
AMERICAN EXCHANGE NATIONAL BANK
NEW YORK

Capital, Surplus and Profits, \$9,624,000

OFFICERS

Lewis L. Clarke
President

Edward Burns
Vice-President

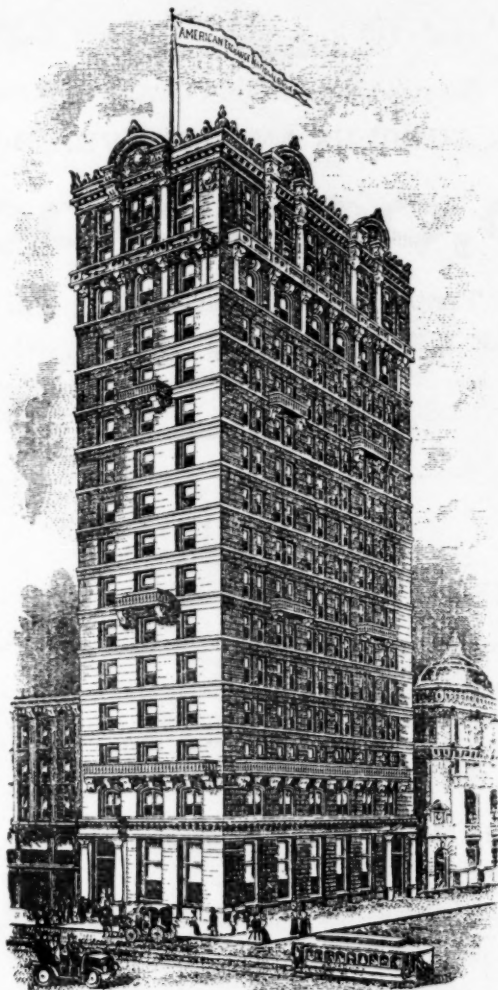
Walter H. Bennett
Vice-Pres't and Cashier

A. K. de Guiscard
Assistant Cashier

Arthur P. Lee
Assistant Cashier

Elbert A. Bennett
Assistant Cashier

George C. Haigh
Assistant Cashier



DIRECTORS

William L. Bull

Edward Burns

George B. Case

John Claffin

Lewis L. Clarke

W. Bayard Cutting

William P. Dixon

Pliny Fisk

Edwin Hawley

Rowland G. Hazard

Clarence H. Mackay

Samuel Rea

Basil W. Rowe

Elbridge Gerry Snow

John T. Terry

ACCOUNTS OF MERCANTILE FIRMS, CORPORATIONS,
BANKS AND BANKERS INVITED

WE OFFER EVERY FACILITY CONSISTENT
WITH SOUND BANKING

*Depository of the United States, State of New York
and City of New York*

The Union Trust Company of Pittsburgh

CAPITAL, SURPLUS AND UNDIVIDED PROFITS,

\$30,000,000.00

Transacts a General Banking and
Trust Company Business.

OFFICERS

H. C. McELDOWNEY	- - - - -	President
A. W. MELLON	- - - - -	Vice-President
J. M. SCHOONMAKER	- - - - -	2nd Vice-President
SCOTT HAYES	- - - - -	Treasurer
JOHN A. IRWIN	- - - - -	Secretary
WILLIAM I. BERRYMAN	- - - - -	Trust Officer
CARROLL P. DAVIS	- - - - -	Asst. Trust Officer
SIDNEY S. LIGGETT	- - - - -	Manager Bond Dept.

DIRECTORS

E. C. CONVERSE	P. C. KNOX	THOMAS MORRISON
J. B. FINLEY	JAMES H. LOCKHART	H. C. McELDOWNEY
H. C. FOWNES	J. M. LOCKHART	D. E. PARK
W. N. FREW	THOMAS LYNCH	HENRY PHIPPS
H. C. FRICK	A. W. MELLON	HENRY R. REA
B. F. JONES, JR.	R. B. MELLON	WM. B. SCHILLER
J. M. SCHOONMAKER		GEO. E. SHAW

CENTRAL TRUST COMPANY

of NEW YORK

54 Wall Street

Capital and Surplus, \$18,000,000

(of which \$17,000,000 has been earned)

Officers

J. N. WALLACE, President

E. F. HYDE, Vice-President

M. FERGUSON, Secretary

B. G. MITCHELL, Vice-President

F. B. SMIDT, Asst. Secretary

D. OLCOTT, 2d; Vice-President

C. P. STALLKNECHT, Asst. Secy.

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Adrian Iselin, Jr.
E. F. Hyde
Henry Evans
Dudley Olcott, 2d

Chas. Lanier
A. D. Juilliard
James Speyer
Henry D. Babcock
Dudley Olcott
Jacob H. Schiff

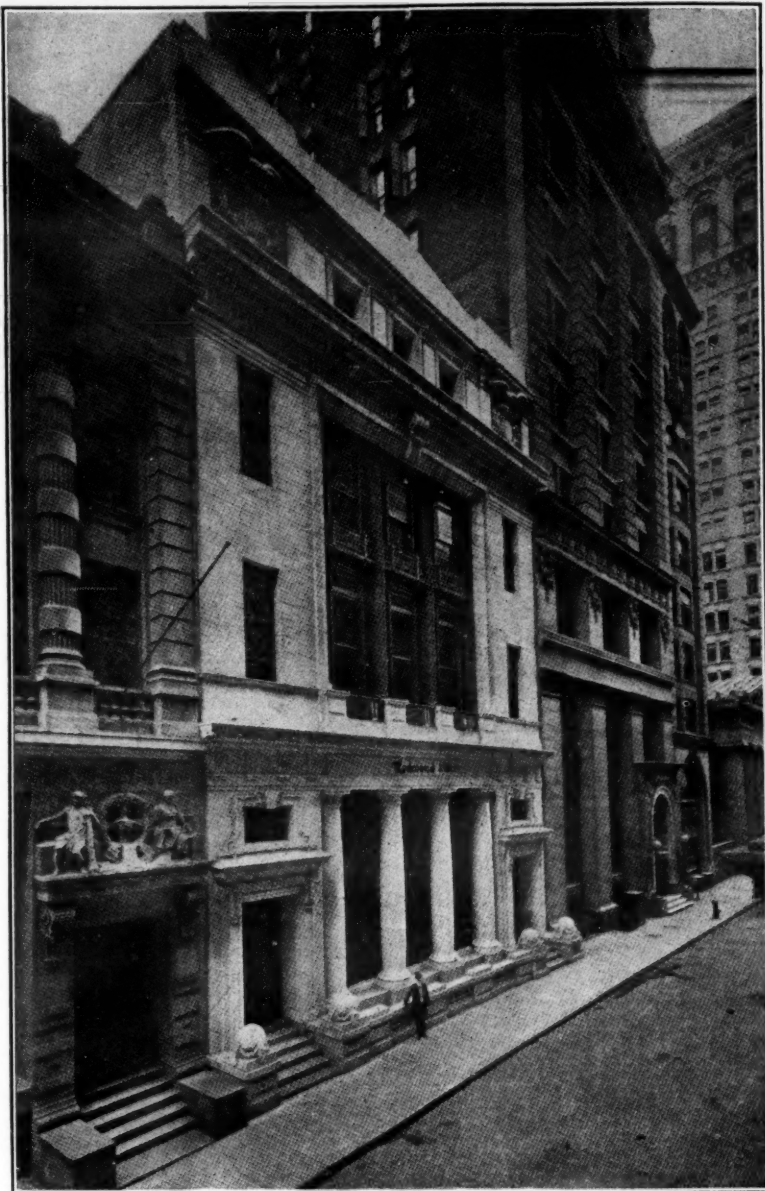
Geo. Macculloch Miller
Jas. N. Jarvie
William A. Read
James N. Wallace
James C. Brady

Allows interest on deposits, returnable on demand, or at specified dates. Is a legal depository for money paid into Court. Is authorized to act as Executor, Administrator, Guardian, or in any other position of trust. Also as Registrar or Transfer Agent of Stocks and Bonds, and as Trustee for Railroad and other Mortgages.

Redmond & Co.

33 Pine Street, New York

Transact a General Foreign and Domestic Banking Business



REDMOND BUILDING, 33 PINE STREET, NEW YORK

Make arrangements with banks and bankers, whereby they can draw their own direct drafts, as principals, on any banking city of the world.

Issue
Letters of Credit
and
Travelers' Cheques
Payable all
over the Globe

Open
Commercial Credits
in favor of
American Importers

Foreign Bills of Exchange
and Cable Transfers

Investment Securities

Act as fiscal agents, and make loans to railroads and corporations. Receive accounts subject to sight-draft, and allow interest on credit balances. Execute commission orders.

Members New York Stock Exchange

KNICKERBOCKER TRUST COMPANY

Fifth Ave. & 34th St. 60 Broadway
 Lenox Ave. & 125th St. Third Ave. & 148th St.
 =====NEW YORK CITY=====

Transacts a General Trust Company Business, Issues Letters of Credit,
 Accepts Management of Real and Personal Property,
 Collecting Income and Remitting as Directed.
 Safe Deposit Vaults at all offices

DIRECTORS

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 FREDERICK G. BOURNE, New York City.
 FRANKLIN Q. BROWN, Redmond & Co., Bankers.
 EDWARD H. CLARK, Manager Hearst Estate.
 LEWIS L. CLARKE, President Am. Exchange Nat. Bank.
 H. RIEMAN DUVAL, President American Beet Sugar Co.

CHARLES F. HOFFMAN, New York City.
 J. HORACE HARDING, Charles D. Barney & Co., Bankers.
 WILLIAM B. JOYCE, President National Surety Co.
 CHARLES H. KEEP, President of the Company.
 SAMUEL T. PETERS, William & Peters, Coal Merchants.
 WILLIAM A. TUCKER, Tucker, Anthony & Co., Bankers.
 PAYNE WHITNEY, New York City.

FOUNDED 1850

Blake Brothers & Co.

50 Exchange Place
 NEW YORK

14 State Street
 BOSTON

Dealers in Commercial Paper

and all issues of
New York City Bonds

LISTS SENT ON APPLICATION
 INVESTMENT SECURITIES BOUGHT AND SOLD

Members of New York and Boston Stock Exchanges

THE EQUITABLE TRUST COMPANY OF NEW YORK

15 Nassau Street
618 Fifth Avenue 23 Rue de la Paix, Paris

Capital, \$3,000,000 Surplus, \$10,000,000

ALVIN W. KRECH, President
FREDERICK W. FULLE, Vice-President
H. MERCER WALKER, Treasurer
HERMAN J. COOK, Assistant Treasurer
LYMAN RHOADES, Secretary
RICHARD R. HUNTER, Assistant Secretary
GEORGE M. STOLL, Assistant Treasurer

Charles B. Alexander	TRUSTEES		Alvin W. Krech
Harry Bronner	Paul D. Cravath	Edwin Gould	Leonor F. Loree
Urban H. Broughton	William H. Crocker	Edwin Hawley	George Welwood Murray
Henry R. Carse	Thomas DeWitt Cuyler	Thomas H. Hubbard	Ralph Peters
Robert C. Clowry	William A. Day	Richard R. Hunter	Winslow S. Pierce
Herman J. Cook	John F. Dryden	Edward T. Jeffery	Lyman Rhoades
Henry E. Cooper	Frederick W. Fulle	Bradish Johnson	William H. Taylor
Frederic R. Coudert	Robert Goelet	Otto H. Kahn	Henry Rogers Winthrop

**Accounts of Banks, Bankers, Corporations and
Individuals received upon favorable terms**

Designated depository for reserve of New York State banks and trust companies

New York County National Bank

Corner 14th Street and 8th Avenue, New York City

OFFICERS

Francis L. Leland
President

Christian F. Tietjen
Vice-President

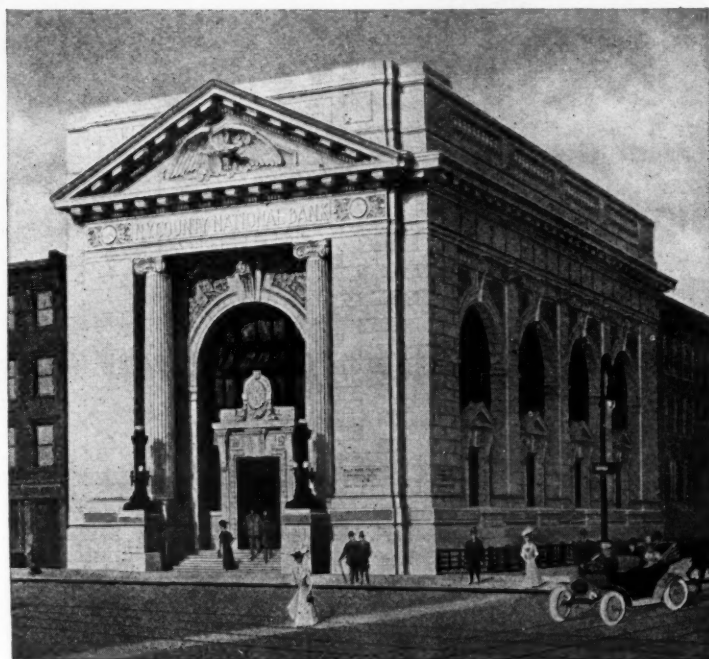
James C. Brower
Vice-President

E. J. Stalker
Cashier

Lawrence J. Grinnon
Asst. Cashier

DIRECTORS

WILLIAM CARPENDER
CHRISTIAN F. TIETJEN
FRANCIS L. LELAND
PEDRO R. DE FLOREZ
JESSE ISIDOR STRAUS
JAMES C. BROWER



NEW YORK COUNTY NATIONAL'S NEW HOME

Capital, \$500,000

Surplus and
Undivided Profits
\$1,600,000

Organized as a State
Bank, 1855

Entered the National
Bank System 1865

Safe Deposit Vaults

**Accounts of Banks, Bankers, Firms, Corporations and Individuals,
Both Large and Small, Invited on Favorable Terms**

National, New York State and City Depository

SEABOARD NATIONAL BANK

OF THE CITY OF NEW YORK

18 Broadway and 5 Beaver Street

CAPITAL

\$1,000,000

SURPLUS and PROFITS (EARNED)

\$2,100,000

DEPOSITS

\$30,000,000



S. G. BAYNE,
President

S. G. NELSON,
Vice-President

C. C. THOMPSON,
Cashier

W. K. CLEVERLEY,
Asst. Cashier

L. N. DeVAUSNEY,
Asst. Cashier

J. C. EMORY,
Asst. Cashier

O. M. JEFFERDS,
Asst. Cashier.

DIRECTORS

Samuel G. Bayne
Edward C. Bodman
Joseph Seep
Edw. H. R. Green
T. Wistar Brown
Stuart G. Nelson
Charles Lathrop Pack
Frederick H. Eaton
Wm. W. Lawrence
Herbert H. Hewitt
Charles C. Thompson

WE INVITE YOUR ACCOUNT

6% Mortgage Bonds Offered at Par and Interest

New York Real Estate Security Company

42 Broadway, New York City

Capital - - \$3,950,000



THIS Company offers to investors 6% Mortgage Bonds at par and interest, in denominations of \$1,000, \$500 and \$100, secured by a trust mortgage to a leading New York City trust company as trustee. Under this mortgage are pledged valuable improved, income-producing properties owned by the Company, and located in the best business and residential sections of Manhattan Island, New York City. Interest is paid semi-annually January and July.

The New York Real Estate Security Company invests in the highest class of income-producing apartment house and business property and in mortgages secured by property of a similar character. Its holdings are in the best districts of the Borough of Manhattan, New York City.

During the past few years the increase in realty values in the Borough of Manhattan has been over 100%, at the same time this real estate has produced a large yearly income. New York City is the gateway of the nation and the center of trade and finance, which gives its real estate a stability unequalled by any other real estate in the world.

The 6% Mortgage Bonds offered by the New York Real Estate Security Company are therefore a safe, high-class investment.

Inquiries for particular information are invited.

CHARTERED 1853

United States Trust Company of New York

45 and 47 WALL STREET

CAPITAL, - - - - - \$2,000,000.00

SURPLUS AND UNDIVIDED PROFITS, \$13,800,278.67

EDWARD W. SHELDON, President.

WM. M. KINGSLEY, Vice-President.

HENRY E. AHERN, Secretary.

WILFRED J. WORCESTER, Asst. Secretary.

CHARLES A. EDWARDS, 2d Asst. Secretary.

T R U S T E E S

JOHN A. STEWART, *Chairman of the Board.*

W. Bayard Cutting,
William Rockefeller,
Alexander E. Orr,
William H. Macy, Jr.,
William D. Sloane,
Gustav H. Schwab,

Frank Lyman,
James Stillman,
John Claffin,
John J. Phelps,
Lewis Cass Ledyard,

Lyman J. Gage,
Payne Whitney,
Edward W. Sheldon,
Chauncey Keep,
George L. Rives,

Arthur Curtiss James,
William M. Kingsley,
William Stewart Tod,
Ogden Mills,
Egerton L. Winthrop,
Cornelius N. Bliss, Jr.

Investment Securities

WE offer our clients a selected list of Public Utility Stocks and Bonds carrying attractive investment value and sound underlying security, particularly

American Light & Traction Co.

Cities Service Co.

American Gas & Electric Co.

Denver Gas & Electric Light Co.

Empire District Electric Co.

AND STRONGLY RECOMMEND
the securities on properties owned, controlled or operated by
the house of

HENRY L. DOHERTY & CO.,
60 Wall Street, New York.

MONTHLY BULLETIN ON REQUEST

Williams, McConnell & Coleman

BONDS

STOCKS

60 Wall Street

'Phone 5621 John

New York

INVESTMENT SECURITIES

We Deal in Bonds for
Investment Purposes Only

MUNICIPAL BONDS

RAILROAD BONDS

WATER WORKS BONDS

TRACTION BONDS

HYDRO-ELECTRIC BONDS

We are offering at this time a large and attractive list of municipal bonds, many of which conform to the requirements of the United States Government to secure deposits under the Postal Savings Bank Law.

The correspondence of banks, institutions and private investors desiring to participate in original offerings is invited.

J. S. & W. S. KUHN, Inc.

PITTSBURGH

Bank for Savings Building

CHICAGO
First National Bank Bldg.

PHILADELPHIA
Real Estate Trust Bldg.

NEW YORK
37 Wall St.

BOSTON
Kuhn, Fisher & Co., Inc.

A. D. CONVERSE & Co.

49 Wall Street, New York

BONDS

**PREFERRED
SHARES**

Lists of Public Utility Securities Furnished
Upon Application.

Cable Address "ADCONCO;"
Western Union Code

HENRY L. DOHERTY & CO.

Bankers

Purchase and Lease Gas and Electric
Properties. Execute Reorganizations

CORRESPONDENCE INVITED

SIXTY WALL STREET -:- NEW YORK

THE LIBERTY NATIONAL BANK OF NEW YORK

OFFICERS

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President
DANIEL G. REID
Vice-President
ZOHETH S. FREEMAN
Vice-President
CHARLES W. RIECKS
Vice-President and Cashier
FRED'K P. McGLYNN
Asst. Cashier
HENRY S. BARTOW
Asst. Cashier
HENRY P. DAVISON
Chairman Executive Com-
mittee



DIRECTORS

EDMUND C. CONVERSE,
GEORGE B. CASE,
HENRY P. DAVISON,
ZOHETH S. FREEMAN,
THOMAS A. GILLESPIE,
FRANCIS L. HINE,
ARTHUR F. LUKE,
HOWARD W. MAXWELL,
AMBROSE MONELL,
CHARLES A. MOORE,
DANIEL G. REID,
CHARLES W. RIECKS,
FREDERICK B. SCHENCK,
CHARLES H. STOUT,
HENRY C. TINKER,
CHARLES H. WARREN.

CAPITAL, SURPLUS AND PROFITS
\$3,700,000.00

No. 374

FIRST NATIONAL BANK OF JERSEY CITY, N. J.

DESIGNATED DEPOSITORY OF THE UNITED STATES

Capital, - - - - -	\$400,000.00
Surplus and Net Profits, - - -	\$1,292,227.36
Deposits, - - - - -	\$7,364,964.93

OFFICERS

GEORGE T. SMITH, President **ROBERT E. JENNINGS, Vice-Pres.**
EDWARD I. EDWARDS, Cashier **HENRY BROWN, Jr., Asst. Cashier**

DIRECTORS

Hamilton Wallis,
Charles Siedler,

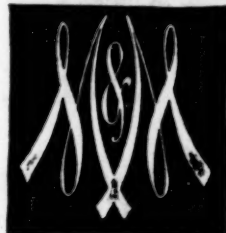
George T. Smith,
Wm. H. Corbin,

Robert E. Jennings,
Edward L. Young,

Henry E. Niese,
Edw. I. Edwards.

THE MECHANICS AND METALS NATIONAL BANK

OF THE CITY OF NEW YORK



OFFICERS

GATES W. McGARRAH, Pres.
ALEXANDER E. ORR, Vice-Pres.
NICHOLAS F. PALMER, Vice-Pres.
FREDERIC W. ALLEN, Vice-Pres.
FRANK O. ROE, Vice-Pres.

WALTER F. ALBERTSEN, Vice-Pres.
JOSEPH S. HOUSE, Cashier.
ROBERT U. GRAFF, Asst. Cash.
JOHN ROBINSON, Asst. Cash.
CHARLES E. MILLER, Asst. Cash.

Capital, Surplus and Undivided Profits, \$14,000,000

United States Mortgage & Trust Company

NEW YORK

MEMBER N. Y. CLEARING HOUSE ASSOCIATION

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CHARLES S. BROWN, Douglas Robinson-
Charles S. Brown Company..... New York
BURNS D. CALDWELL, Prest. Wells Fargo
& Co. New York
JAMES G. CANNON, Prest. Fourth National
Bank New York
LEWIS L. CLARKE, Prest. American Ex. Natl.
Bank New York
THOMAS DEWITT CUYLER, Prest. Commer-
cial Trust Company Philadelphia
CHARLES D. DICKEY, Brown Brothers & Co. New York
ALLEN B. FORBES, Harris, Forbes & Co..... New York
ROBERT A. GRANNISS..... New York
CHARLES M. HAYS, Prest. Grand Trunk Ry.
Co., Montreal..... Canada
HENRY R. ICKELHEIMER, Heidelberg, Ickel-
heimer & Co. New York
WILLIAM A. JAMISON, Arbuckle Bros..... New York

LOUIS C. KRAUTHOFF, Counsellor-at-Law... New York
ADOLPH LEWISOHN, Adolph Lewisohn &
Sons New York
CLARENCE H. MACKAY, Prest. Commercial
Cable Co. New York
ROBERT OLYPHANT New York
JOHN W. PLATTEN, President of the Company.
MORTIMER L. SCHIFF, Kuhn, Loeb & Co... New York
HENRY TATNALL, Third Vice-Prest., Penn.
R. R. Co..... Philadelphia
EBEN B. THOMAS, President Lehigh Valley
R. R. Co..... New York
JAMES TIMPSON, Second Vice-Prest. and Fi-
nancial Mgr., The Mutual Life Insurance
Company New York
ARTHUR TURNBULL, Post & Flagg..... New York
CORNELIUS VANDERBILT New York
PAUL M. WARBURG, Kuhn, Loeb & Co..... New York

Officers

JOHN W. PLATTEN, President.
CALVERT BREWER, Vice-President.
CARL G. RASMUS, Vice-President.
FRANK J. PARSONS, Vice-President.
JOSEPH ADAMS, Treasurer.

ALEXANDER PHILLIPS, Secretary.
HENRY L. SERVOSS, Assistant Treasurer.
T. W. B. MIDDLETON, Assistant Secretary.
VICTOR EHRLICHER, Assistant Secretary.
HARRY W. HADLEY, Assistant Treasurer.

**55 CEDAR STREET
B'WAY and 73d ST.
125th ST. and 8th AVE.**

**Capital - \$2,000,000
Surplus - \$4,000,000**

Whitney-Central National Bank

NEW ORLEANS

Capital and Surplus, \$4,000,000

Depository of the United States Government.
State of Louisiana and City of New Orleans.

Foreign Exchange Bought and Sold.
Acts as Reserve Agent for Southern Banks.

OFFICERS

CHARLES GODCHAUX,	President	JNO. B. FERGUSON,	Cashier
FRANK B. WILLIAMS,	Vice-Pres.	E. H. KEEP,	Assistant Cashier
CHARLES M. WHITNEY,	Vice-Pres.	MAURITZ PYK,	Assistant Cashier
SOL WEXLER,	Vice-Pres.	N. E. BERTEL,	Assistant Cashier
JOHN E. BOUDEN, Jr.,	Vice-Pres.	CHARLES T. BAISLEY,	
HARRY T. HOWARD,	Vice-Pres.	Manager Foreign Exchange Dept.	

Whitney-Central Trust & Savings Bank

TRUST DEPARTMENT BOND DEPARTMENT
GENERAL SAVINGS BANK BUSINESS

Capital and Surplus, \$220,000

OFFICERS

	CHARLES GODCHAUX, President	
SOL WEXLER,	Vice-President	JOHN E. BOUDEN, Jr., Vice-President
HARRY T. HOWARD,	Vice-President	H. O. PENICK, Cashier
	JNO. L. COURTURIER, Asst. Cashier	

Deposits—

Whitney-Central National Bank	\$16,501,757.35
Whitney-Central Trust & Savings Bank	2,753,675.93
Total Deposits	\$19,255,433.28

**HIBERNIA BANK &
TRUST COMPANY**

OF

NEW ORLEANS



CAPITAL AND SURPLUS

**THREE MILLION
DOLLARS**

INVITES YOUR ACCOUNT



DEPOSITORY OF THE UNITED STATES AND STATE OF ALABAMA

FIRST NATIONAL BANK

BIRMINGHAM, ALA.

Capital \$1,500,000

Surplus \$1,500,000

Resources \$14,000,000

W. P. G. HARDING, President

J. H. WOODWARD, Vice-President

J. H. BARR, Vice-President

THOMAS HOPKINS, Cashier

F. S. FOSTER, Asst. Cashier

THOMAS BOWRON, Asst. Cashier

J. K. FLEMING, Asst. Cashier

COLLECTIONS RECEIVE CAREFUL ATTENTION

SEND US YOUR ALABAMA ITEMS



OUR NEW 20 STORY BUILDING

AMERICAN Trust & Savings Bank

BIRMINGHAM, ALA.

Capital - \$500,000

Surplus - 250,000

Deposits - 4,000,000

W. W. CRAWFORD, President

H. L. BADHAM,

C. M. WILLIAMSON

Vice-President

Cashier

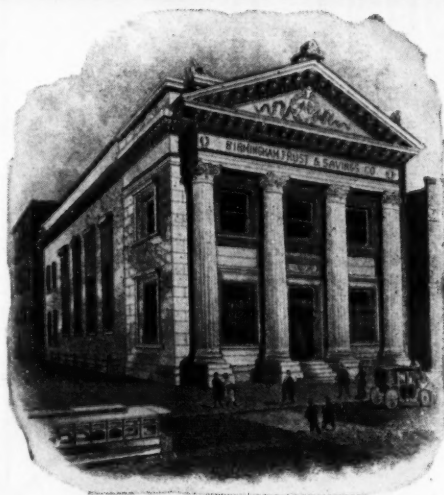
E. B. CRAWFORD,

W. C. HAMILTON,

Ass't Cashier

Ass't Cashier

Correspondence of Banks, Bankers and Trust Companies
desiring efficient and satisfactory service invited.



BIRMINGHAM TRUST & SAVINGS Co.

Birmingham, - - Alabama

Organized in 1887

Capital \$500,000 Surplus \$450,000

ARTHUR W. SMITH, President

BENSON CAIN, Ass't Cashier

TOM O. SMITH, Vice-Prest.

C. D. COTTEN, Ass't Cashier

W. H. MANLY, Cashier

E. W. FINCH, Ass't Cashier

Steady adherence to conservative banking is coupled with
prompt attention to all business.

Alabama collection accounts solicited.

City Bank & Trust Company

MOBILE, ALA.

Capital and Surplus \$1,000,000.00

PAT J. LYONS, Vice-President.
A. C. TONSMEIRE, Ass't Cashier

E. J. BUCK, President.

GEO. A. TONSMEIRE, Cashier
TOM C. McCORVEY, JR., Ass't Cashier

Largest capital, surplus and profit, also largest deposit of any bank in South Alabama. Send us your Alabama and South Mississippi collections, especially your Mobile items. We make a specialty of handling collections, giving reasons for non-payment.

"THE PROGRESSIVE GROWING BANK."

J. W. WHITING, President

J. W. LITTLE, Vice-Prest. and Cashier

B. W. PADGETT, Asst. Cashier

PEOPLES BANK MOBILE

CAPITAL, \$150,000 SURPLUS AND NET PROFITS OVER \$700,000

Largest percentage of surplus and profits
to capital of any bank in Alabama

WE COLLECT ALL ALABAMA, FLORIDA AND MISSISSIPPI ITEMS AT ACTUAL COST.
WE SOLICIT BUSINESS ON BANKING PRINCIPLES.

Isidore Newman & Son

BANKERS AND BROKERS

Established 1868

BONDS OF ESTABLISHED STREET RAILWAY, AND
ELECTRIC LIGHTING CORPORATIONS

CIRCULARS ON APPLICATION

Southern Securities a Specialty

212 CARONDELET STREET

NEW ORLEANS

KNAUTH, NACHOD & KÜHNE

New York

BANKERS

Leipzig, Germany

Make arrangements with Banks and Bankers enabling them to issue their own drafts on more than one thousand Cities of Europe and the Orient, and to issue Circular Letters of Credit in Pounds Stg. over their own signature.

LETTERS OF CREDIT AND TRAVELERS CHECKS

For Domestic and Foreign Use

FOREIGN EXCHANGE

COLLECTIONS

CABLE TRANSFERS

DEPOSIT ACCOUNTS, SUBJECT TO CHECK, RECEIVED ON FAVORABLE TERMS

INVESTMENT SECURITIES

Members New York Stock Exchange



ATLANTA'S LEADING BANKING INSTITUTION

Atlanta National Bank

ATLANTA, GA.

UNITED STATES DEPOSITARY

CAPITAL, - - - - - \$1,000,000
SURPLUS AND PROFITS, - - - - - 1,100 000

CHAS. E. CURRIER, President.
T. E. BLOCK, Vice-President.
JAMES S. FLOYD, 2nd Vice-President.

GEO. R. DONOVAN, Cashier.
J. D. LEITNER, Assistant Cashier.
J. S. KENNEDY, Assistant Cashier.

Accounts of banks, merchants, corporations and individuals solicited.
Every accommodation given which responsibility and balances warrant.
Correspondence Invited.

Fourth National Bank

ATLANTA, GEORGIA

Capital - - - - - \$600,000.00
Surplus - - - - - 825,000.00

A Good, Strong Bank that will take adequate care of all business entrusted to it

OFFICERS

JAMES W. ENGLISH, President.

JOHN K. OTTLEY, Vice-President.

CHARLES I. RYAN, Cashier.

WILLIAM T. PERKERSON, Asst. Cashier.

JAMES M. THOMAS, Asst. Cashier.

WE INVITE CORRESPONDENCE

ESTABLISHED 1861

THE LOWRY NATIONAL BANK

OF ATLANTA

Capital - - - - - \$1,000,000
Surplus and Profits - - - - - 1,180,000

ROBERT J. LOWRY, President.

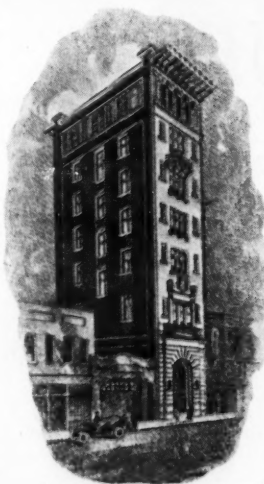
THOMAS D. MEADOR, Vice-President.

HENRY W. DAVIS, Cashier.

JOSEPH T. ORME, Vice-President.

E. A. BANCKER, Jr., Asst. Cashier.

UNITED STATES DEPOSITARY



Hillyer Trust Company

Capital and Surplus, \$300,000.00 Atlanta, Ga.

BANKING DEPARTMENT—Acts as depository for the Inactive Accounts and Reserve Funds of Individuals, Estates, Corporations and Institutions. Certificates of deposit issued, payable on demand, bearing interest from date of deposit.

SAVINGS DEPARTMENT—Four per cent. interest is allowed on Savings Accounts from the first of each month, compounded semi-annually, January and July. One dollar opens an account.

TRUST DEPARTMENT—Acts under authority of the law as Executor, Administrator, Guardian, Trustee, Registrar, Transfer Agent, Receiver and in all other trust capacities.

MORTGAGE LOAN DEPARTMENT—Always pleased to make loans on liberal terms to thrifty people who own real property, and who require funds for building or other purposes.

BOND DEPARTMENT—Has constantly on hand Bonds, Mortgages and other Investments in large or small amounts yielding a profitable return.

REAL ESTATE DEPARTMENT—Takes entire charge of real estate for clients—renting, buying and selling.

FOREIGN DEPARTMENT—Issues foreign Letters of Credit, Travelers' Checks and Money Orders redeemable in all parts of the world.

Officers and Directors

HENRY HILLYER, President
GEO. S. LOWNDES, Vice-President
SAMUEL N. EVINS, Attorney
DR. F. PHINIZY CALHOUN
JAMES S. FLOYD
R. L. FOREMAN
FREDERICK J. PAXON

WM. HURD HILLYER, Vice-Pres. and Treas.
HERBERT L. WIGGS, Trust Officer
J. S. TODD, JR., Sec'y
JACK J. SPALDING
DR. J. S. TODD
JOHN MORRIS
M. C. KING



HAMILTON NATIONAL BANK

CHATTANOOGA, TENN.

Capital - - - - \$1,000,000.00
Surplus and Profits - - 450,000.00

Both in Capital and Surplus this is the largest bank in East Tennessee, and only one other National Bank in Tennessee has a Capital equal to ours. Our Collection facilities are unsurpassed. We reach direct more than 80 per cent. of the banking points in the State.

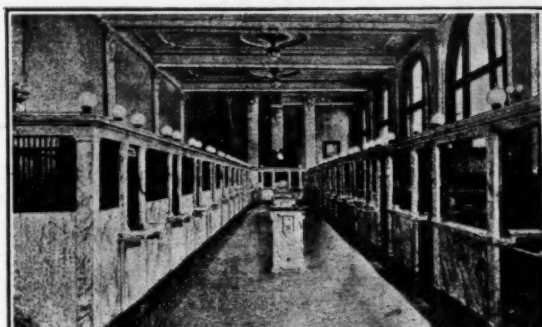
T. R. PRESTON, President.
H. T. OLMSTED, Vice-President.
G. H. MILLER, Vice-President.

C. M. PRESTON, Cashier.
D. S. HENDERSON, Assistant Cashier.
S. A. STRAUSS, Assistant Cashier.

FIRST NATIONAL BANK

CHATTANOOGA, TENN.

Capital
\$750,000.00
Surplus and
Profits
\$400,000.00
Resources
\$8,000,000.00



CHAS. A. LYERLY,
President
H. S. CHAMBERLAIN,
Vice-President
J. T. LUPTON,
Vice-President
C. C. NOTTINGHAM,
Active Vice-Pres.
J. P. HOSKINS,
Cashier
W. H. DeWITT,
Assistant Cashier



THE AMERICAN NATIONAL BANK of LOUISVILLE, KY.

Capital \$800,000 Surplus \$250,000
United States Depositary

LOGAN C. MURRAY, Pres't
R. F. WARFIELD, Cashier

CHAS. C. CARTER, Ass't Cashier
F. L. MOSELEY, Ass't Cashier

We are at your service as reserve agent for banks and bankers, and have excellent facilities to handle collections on all parts of the country.

SOUTHERN NATIONAL BANK LOUISVILLE, KY.

CAPITAL \$500,000.00

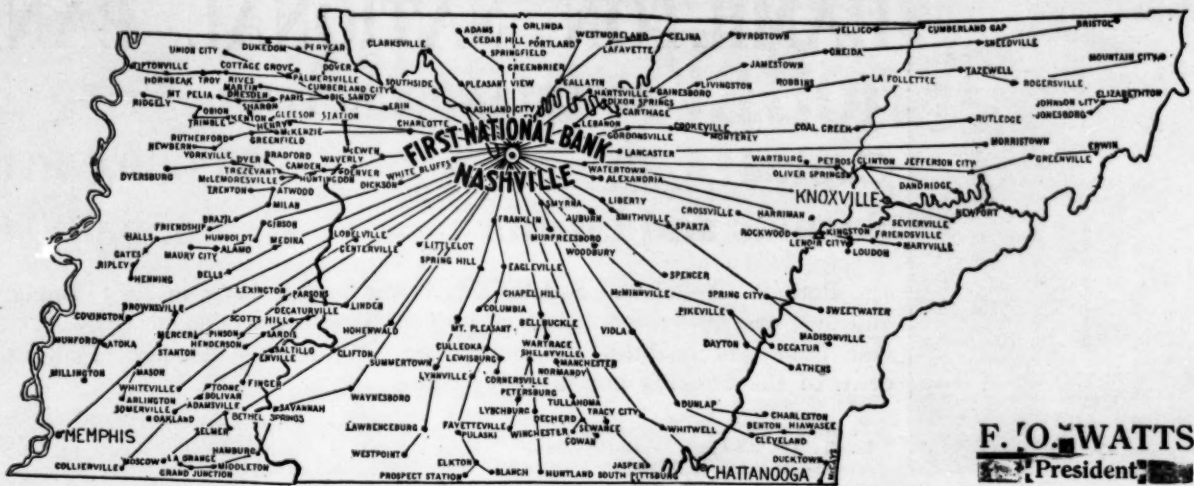
OFFICERS.

ALBERT S. RICE, President
E. B. ROBERTSON, Active V. P. W. J. THOMAS, V. P.
H. THIEMANN, Cashier. F. N. LEWIS, V. P.

Acts as Reserve Agent. Has excellent par facilities. Prompt, intelligent and economical service in handling collections, drafts, etc. Invites correspondence from banks looking toward opening accounts. Send your business to a

LIVE, GROWING, CONSERVATIVE BANK

SEND US ALL YOUR TENNESSEE ITEMS



F. O. WATTS
President

THE HOLSTON NATIONAL BANK OF KNOXVILLE

UNITED STATES DEPOSITARY

Capital, \$400,000
Surplus and Profits, \$150,000

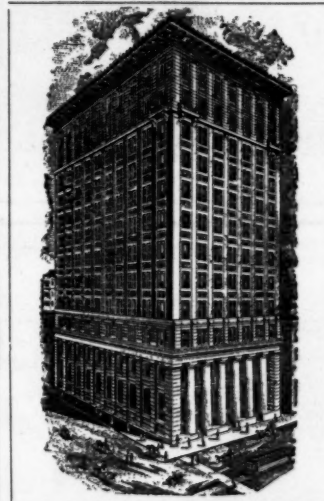
OFFICERS

Joseph P. Gaut, President
D. A. Rosenthal, Vice-President
Ralph W. Brown, Cashier
A. C. Harmon, Asst. Cashier

Our Collection Department is one of
the largest and best equipped
in the entire South.

CORRESPONDENCE INVITED

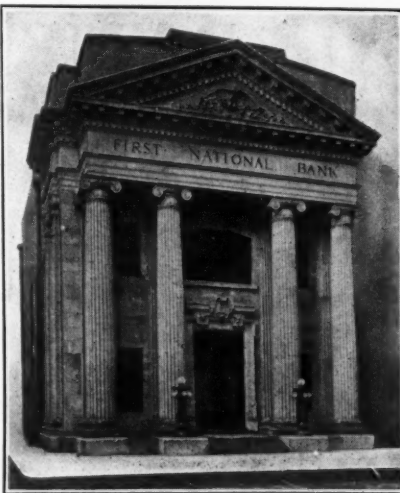
FOURTH NATIONAL BANK NASHVILLE, TENN.



Capital
\$600,000
—
Surplus and
Profits
\$750,000
—
Deposits
\$6,000,000

We have excellent facilities for handling
Tennessee items and respectfully solicit
your business, assuring **Prompt Service
and Reasonable Rates.**

W. C. DIBRELL, President. J. S. McHENRY, Cashier.
J. H. FALL, Vice-Pres. G. W. PYLE, Asst. Cashier
WALTER KEITH, Vice-Pres. C. H. LITTERER, Asst. Cash.



J. A. OMBERG, President
S. H. BROOKS, Vice-President C. Q. HARRIS, Cashier
P. S. SMITHWICK, Vice-President C. H. CRAIG, Asst. Cashier

Capital, \$500,000 Surplus, \$500,000

No. 336

THE FIRST NATIONAL BANK OF MEMPHIS, TENN.

Depository for **UNITED STATES
STATE OF TENNESSEE
POSTAL SAVINGS**

The oldest bank in the City

Established in 1864



ORGANIZED 1866.

THE FIRST NATIONAL BANK OF HOUSTON, TEXAS

CAPITAL, \$1,000,000

SURPLUS, \$400,000

O. L. COCHRAN, President.

J. T. SCOTT, 1st Vice-President.

H. R. ELDRIDGE, 2nd Vice-President

W. S. COCHRAN, Cashier.

W. E. HERTFORD, Asst. Cashier.

F. E. RUSSELL, Asst. Cashier.

WE INVITE CORRESPONDENCE OF BANKS AND BANKERS DESIRING
UNEXCELLED FACILITIES FOR HANDLING COLLECTIONS ON THE STATE
OF TEXAS.

ESTABLISHED MAY 1, 1907

The Lumberman's National Bank Houston, Texas

CAPITAL AND SURPLUS - - - \$500,000.00

Invites correspondence with banks and bankers who desire a dependable and
economical collection service for their Texas items.

Reserve accounts of both State and National Banks invited.

S. F. CARTER, President

GUY M. BRYAN, Active Vice-President
LYNN P. TALLEY, Cashier

M. S. MURRAY, Assistant Cashier.
H. M. WILKINS, Assistant Cashier

The Union National Bank Houston, Texas

CAPITAL - - - \$1,000,000.00
DEPOSITS OVER - - \$8,000,000.00

With our splendid facilities we are equipped to give unusually good
service in the handling of Texas collections. Write us for rates

T. C. DUNN, Vice-President
JESSE H. JONES, Vice-President
A. M. LEVY, Vice-President

J. S. RICE, President
C. G. PILLOT, Vice-President
J. M. ROCKWELL, Vice-President
GEO. HAMMAN, Vice-President

DeWITT C. DUNN, Cashier
D. W. COOLEY, Ass't Cashier
H. B. FINCH, Ass't Cashier

BANKERS TRUST COMPANY HOUSTON, TEXAS

Capital, \$2,000,000.00

Surplus, \$500,000.00

"The Largest Financial Institution in the State"

This Company specializes in the purchase and sale of High Grade Real Estate Mortgages.
Our Real Estate Department is competent to make appraisals throughout the Southwest.
Transacts General Trust Company Business. Correspondence Invited.



THE FIFTH-THIRD NATIONAL BANK OF CINCINNATI

Capital, Surplus and Profits, \$4,500,000
Resources Over . . . 24,000,000

CHARLES A. HINSCH, President.
WILLIAM A. LEMMON, Vice-Pres't. EDWARD A. SEITER, Vice-Pres't.
MONTE J. GOBLE, Cashier.
CHARLES T. PERIN, Ass't Cash. CHARLES H. SHIELDS, Ass't Cash.
LEWIS E. VAN AUSSOL, Ass't Cash. FREDERICK J. MAYER, Ass't Cash.

Every facility for the satisfactory handling of bank accounts

FRED WM. SCOTT

BLAIR B. STRINGFELLOW

Scott & Stringfellow

BANKERS AND BROKERS

Richmond, Va.

Members New York Stock Exchange
" " " Cotton Exchange

Local and General Investment Securities

From time to time we make special studies of railroad
and industrial properties for the benefit of our clients

National Bank of Commerce NORFOLK, VA.



CAPITAL
\$1,000,000

SURPLUS
\$700,000

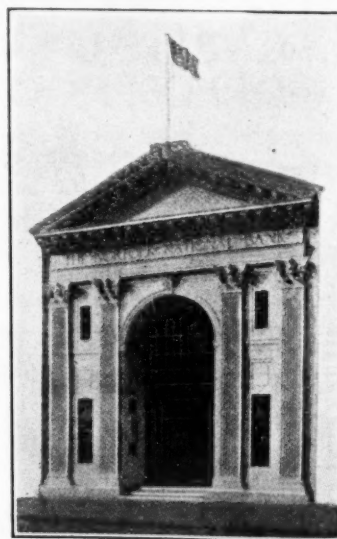
WE INVITE
YOUR
ACCOUNT

NATHANIEL BEAMAN, President.
TAZEWELL TAYLOR, Vice-President.
HUGH M. KERR, Cashier.
M. C. FEREBEE, Assistant Cashier.
R. S. COHOON, Assistant Cashier.

MARKED FEATURES

Promptness, Courtesy, Safety and Reliability.

The Norfolk National Bank NORFOLK, VA. U. S. DEPOSITARY



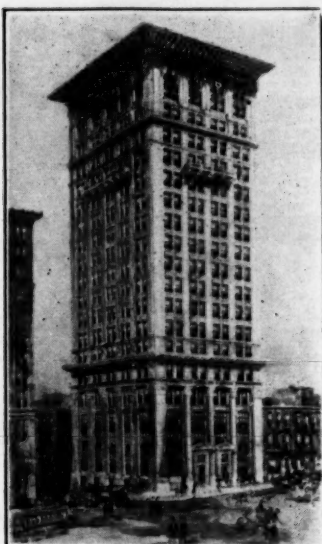
Capital \$1,000,000
Surplus and Undivided Profits . . 700,000

CALDWELL HARDY
President

E. T. LAMB A. B. SCHWARZKOPF
Vice-President Vice-President

W. A. GODWIN
Cashier

Accounts of Banks and Bankers Received on
Most Favorable Terms.



FIRST NATIONAL BANK

OF RICHMOND, VIRGINIA

Capital, \$1,000,000 Earned Surplus, \$1,000,000
Deposits, 7,500,000 Resources, - 11,500,000

JOHN B. PURCELL, President

JNO. M. MILLER, Jr., Vice-Pres. and Cashier FRED E. NÖLTING, Second Vice-Pres.

It would be advisable to those needing a Richmond connection to write to us for terms.

BILL OF LADING DRAFTS A SPECIALTY

John L. Williams & Sons

BANKERS

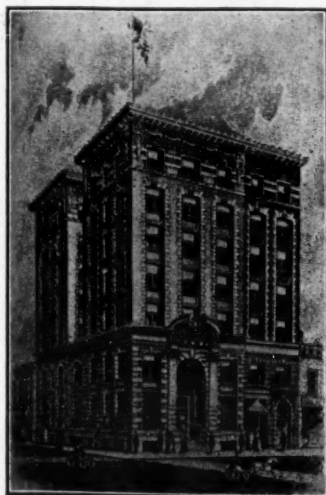
Cor. 8th and Main Streets, - - Richmond, Va.

Cable Address: Williamson Richmond

ESTABLISHED 1874

THE FORT WORTH NATIONAL BANK

FORT WORTH, TEXAS



Capital,
\$500,000
(\$200,000 earned)

Surplus
and Profits,
\$768,608
(All earned)

K. M. VAN ZANDT, President
N. HARDING, Vice-President
R. L. ELLISON, Vice-President
ELMO SLEDD, Cashier
R. E. HARDING, Asst. Cashier
E. B. VAN ZANDT, Asst. Cashier
W. M. MASSIE, Asst. Cashier

We cordially invite the correspondence of Banks and Bankers desiring efficient and satisfactory service in this territory.

FOUNDED 1873

CAPITAL AND SURPLUS Two MILLION DOLLARS

With its large number of Direct Connections and a modern and well equipped Transit Department, this bank is thoroughly prepared to handle Texas collections.



J. B. WILSON, Chairman of the Board.
E. O. TENISON, President.
R. H. STEWART, Vice-Pres. J. H. ARDREY, Cashier.
C. R. BUDDY, Vice-Pres. H. P. MAY, Ass't Cashr.

CHARTER
No. 2491



ORGANIZED
1880

FIRST NATIONAL BANK OF LOS ANGELES

Capital - \$1,500,000

**Surplus and Undivided Profits
\$2,350,000**

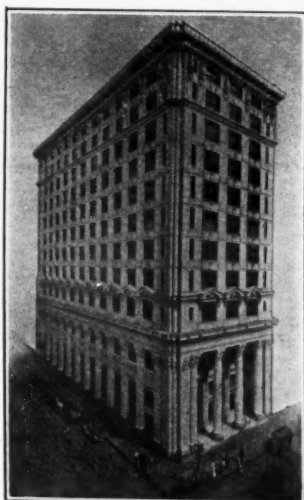
Deposits over \$16,000,000

OFFICERS

J. M. ELLIOTT	President
STODDARD JESS	Vice-President
W. C. PATTERSON	Vice-President
W. T. S. HAMMOND	Cashier
E. S. PAULY	Assistant Cashier
A. C. WAY	Assistant Cashier
W. C. BRYAN	Assistant to the Cashier

Los Angeles Trust and Savings Bank

(Owned by the Stockholders of the First National Bank)



**Capital and Reserve
over \$2,500,000
Deposits
over \$11,500,000**

OFFICERS

J. C. DRAKE	President
MOTLEY H. FLINT	Vice-President
H. W. O'MELVENY	Vice-President
W. RHODES HERVEY	Vice-President
JAY SPENCE	Cashier
LEO S. CHANDLER	Trust Officer

The Citizens National Bank

OF LOS ANGELES

Capital, \$1,500,000 Surplus, \$700,000
Deposits, \$9,000,000

Ample resources to assure consistent service for all commercial accounts
No service this bank can render will be regarded as unimportant

OFFICERS

A. J. WATERS, President
J. ROSS CLARK, Vice-President
M. J. MONNETTE, Vice-President

WM. W. WOODS, Vice-President
E. T. PETTIGREW, Cashier
GEORGE E. F. DUFFET, Ass't Cashier

H. D. IVEY, Ass't Cashier
GEORGE BUGBEE, Ass't Cashie

FIRST NATIONAL BANK

OAKLAND, CAL.



CAPITAL
\$500,000

SURPLUS
\$115,000

DEPOSITS
\$3,000,000

Excellent Facilities for Handling
CALIFORNIA ITEMS

P. E. BOWLES, President.
L. G. BURPEE, Vice-President.
L. C. MOREHOUSE, Vice-President.
E. N. WALTER, Cashier.
S. H. KITTO, Assistant Cashier.
C. N. WALTER, Assistant Cashier.
I. H. SANBORN, Assistant Cashier.

Pacific Coast

business is steadily growing
in volume and importance,
and the natural clearance center
of commercial transactions
is

San Francisco

This bank has direct connections in every important city or town of the Pacific Coast region, and is equipped for prompt and painstaking service. Conference or correspondence is invited, with banks requiring such service.

American National Bank

*Our monthly Financial Letter will be
mailed free to anyone, upon request.*

The First National Bank

OF PASADENA, CAL.

Capital \$100,000 Surplus \$200,000

UNITED STATES DEPOSITARY

Special Collection Facilities.

Correspondence Invited

W. H. VEDDER, President.
A. K. McQUILLING, Vice-Pres.
H. C. HOTALING, Vice-Pres.

A. E. EDWARDS, Cashier.
H. A. DOTY, Asst. Cashier.
J. H. BOOGE, Asst. Cashier.

California Securities

Newer and faster growing communities must attract capital by offering slightly greater returns than do the older and less rapidly expanding.

The Pacific Coast is converting its natural resources into industrial enterprises at a fast pace, and is a constant seeker of capital.

We have made a specialty of California bonds for sixteen years.

We offer California Municipal, Railway and Corporation Bonds which net higher returns than Eastern securities of equal strength.

If in any way we can aid those interested in California conditions and securities by furnishing data and information, we will be pleased to do so.

You are cordially invited to let us serve you.

J. H. ADAMS & COMPANY

111-113 West Fourth Street
Los Angeles

Cor. Sansome and California Sts.
San Francisco

WE specialize on California securities netting from 6 to 8 per cent. per annum.

Sole agents for the sale of Seven Per Cent. Gold Notes of the Los Angeles-California Realty Company issued in denominations of \$100 to \$5,000, bearing quarterly interest maturing in one, two and three years.

Correspondence invited. Prompt handling of all business entrusted to us.

Fielding J. Stilson Company

Established 1900

Paid Up Capital . . \$150,000.00

Members Los Angeles Stock Exchange

115 WEST FOURTH STREET
LOS ANGELES, CAL.

Wm. R. Staats Co.

Municipal, School, Railroad
Public Service Corporation

BONDS

ALSO EXECUTE COMMISSION ORDERS IN
LISTED SECURITIES

California Issues a Specialty

LOS ANGELES SAN FRANCISCO
105-107 West Fourth Street 405 Montgomery Street

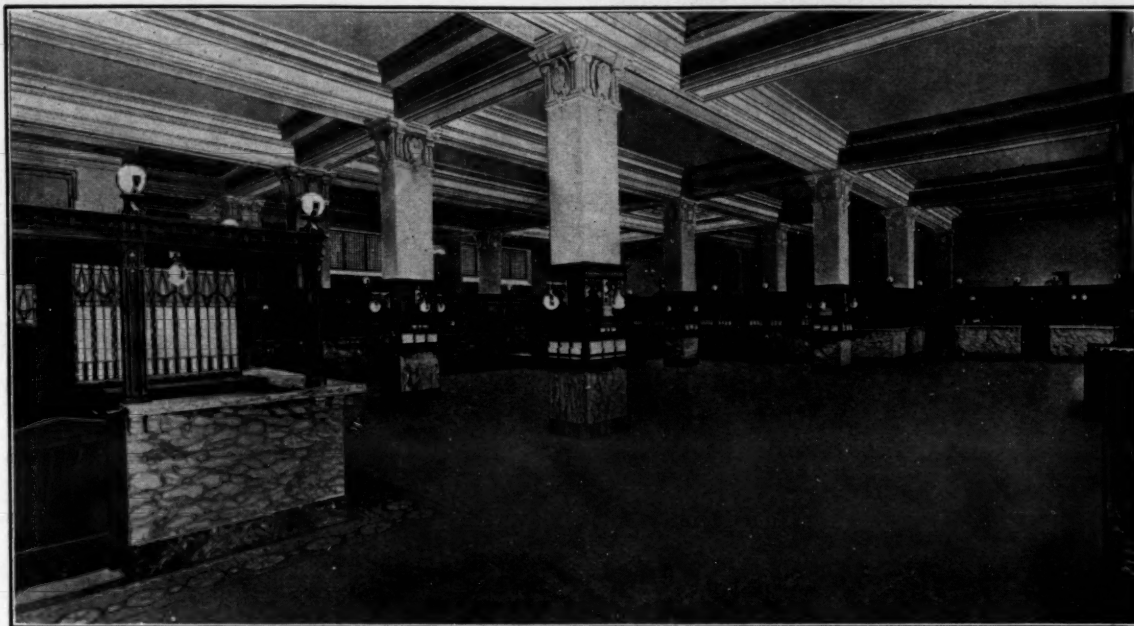
PASADENA
65 South Raymond Ave.

The United States National Bank

OF PORTLAND, OREGON

CAPITAL, \$1,000,000

SURPLUS and PROFITS, \$900,000



Unexcelled facilities for the prompt and economical handling of all business in Oregon, Washington, Idaho, British Columbia and Montana

CORRESPONDENCE INVITED

J. C. AINSWORTH, President
R. LEA BARNES, Vice-President

W. A. HOLT, Assistant Cashier

R. W. SCHMEER, Cashier
A. M. WRIGHT, Assistant Cashier

McCORNICK & CO. BANKERS

SALT LAKE CITY, UTAH

ESTABLISHED 1873

INCORPORATED 1910

CAPITAL, - - - - - \$600,000

SURPLUS AND UNDIVIDED PROFITS, \$250,000

LARGEST BANK BETWEEN DENVER AND THE PACIFIC COAST

UNEXCELLED FACILITIES FOR HANDLING COLLECTIONS THROUGHOUT THE
ROCKY MOUNTAIN REGION

W. S. McCORNICK, President

D. C. JACKLING, Vice-President

L. B. McCORNICK, Asst. Cashier

S. A. WHITNEY, Cashier

R. L. CONELY, Asst. Cashier

AFFILIATED BANKS

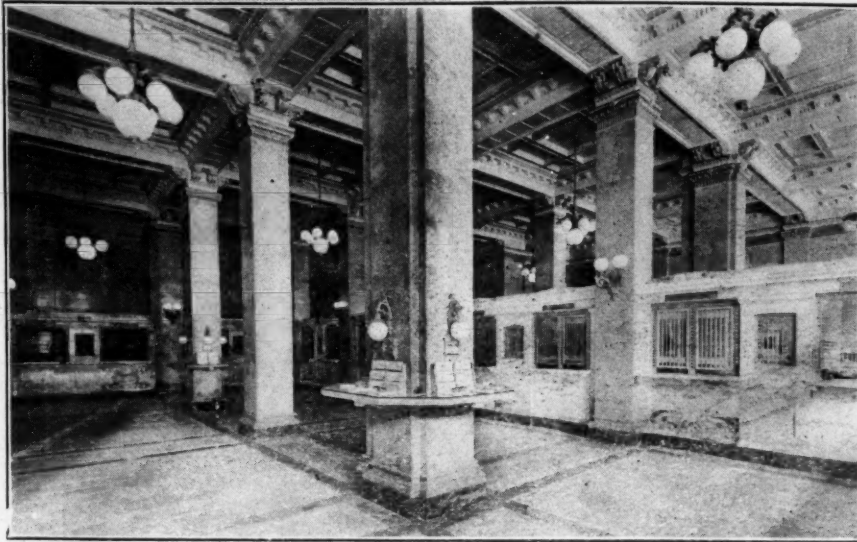
UTAH NATIONAL BANK, Salt Lake City
CAPITAL, \$200,000

UTAH SAV. & TRUST CO., Salt Lake City
CAPITAL, \$250,000

TWIN FALLS BANK AND TRUST CO., Twin Falls, Ida.
CAPITAL, \$100,000

LADD & TILTON BANK

PORTLAND, ORE.



ESTABLISHED 1859

Capital

\$1,000,000

Surplus and Profits

\$800,000

THIS BANK HAS HAD AN UNBROKEN HISTORY OF OVER FIFTY YEARS OF
SUCCESSFUL BUSINESS IN PORTLAND

CAREFUL ATTENTION GIVEN TO COLLECTIONS

OFFICERS

W. M. LADD, President
R. S. HOWARD, Jr., Ass't Cashier

EDWARD COOKINGHAM, V-President
J. W. LADD, Ass't Cashier

W. H. DUNCKLEY, Cashier
WALTER M. COOK, Ass't Cashier

Portland Trust Company

PORTLAND, OREGON

Capital - - - - \$300,000.00

Assets - - - - \$2,800,000.00

MUNICIPAL BONDS and Real Estate MORTGAGES for Investors



THE Omaha National Bank

OMAHA, NEB.

Capital - - - - \$1,000,000

Surplus and Profits - - 600,000

Resources - - - - 15,000,000

J. H. MILLARD, President
WM. WALLACE, Vice-President
W. H. BUCHOLZ, Vice-President
WARD M. BURGESS, Vice-President

J. DeF. RICHARDS, Cashier
FRANK BOYD, Assistant Cashier
B. A. WILCOX, Assistant Cashier
EZRA MILLARD, Assistant Cashier

Special Collection Facilities for Nebraska and the Northwest

TAX EXEMPT and Postal Savings

**Southern
Southwestern
Western and
Northwestern**

Municipal Bonds

SUTHERLIN AND COMPANY

Commerce Bldg.

Kansas City, Mo.

Correspondence Invited

**EXCELLENT
COLLECTION
FACILITIES**

—
Your
Account
Invited

THE COMMONWEALTH NATIONAL BANK

KANSAS CITY, MO.

**Capital . . . \$250,000
Surplus . . . 50,000**

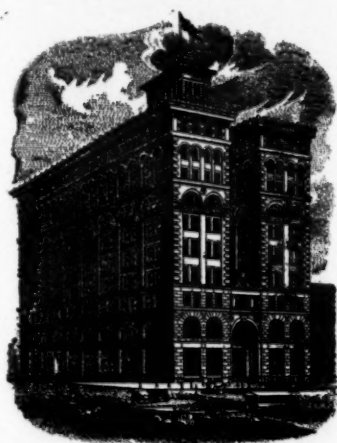
Opened for business June 26th, 1911

**G. M. SMITH
President**

**J. E. HUTT
Vice-President**

**L. C. SMITH
Cashier**

**E. J. SHORT
Assistant Cashier**



The United States Trust Company

OF KANSAS CITY, MO.

Capital, - - \$250,000.00

TRANSACTS A GENERAL TRUST COMPANY BUSINESS

Acts as Trustee, Receiver or Assignee; also as Executor or Guardian.
Acts as Trustee under Mortgages or Deeds of Trust; and as Agent
for the Registration and Transfer of Stocks and Bonds, and
for the payment of Coupons and Dividends.

**ACTS IN CONNECTION WITH FOREIGN TRUST COMPANIES ON THE MOST
FAVORABLE TERMS.**

A. A. TOMLINSON, President.
W. R. CLARKE, Vice-President. B. R. CLARKE, Vice-President.
D. I. PARSONS, Sec. and Treas.

NYE AND TURNER CO. INC.

**BOSTON, MASS.
50 STATE STREET.**

**OMAHA, NEB.
16TH & FARNAM STS.**

**RAILROAD, MUNICIPAL AND CORPORATION BONDS
CAPITAL, FULLY PAID. \$100,000.00**

THE FIRST NATIONAL BANK OF DENVER

Oldest National Bank in Colorado

UNITED STATES DEPOSITARY



CAPITAL
\$1,000,000



SURPLUS
\$1,000,000



DEPOSITS
\$18,500,000

OFFICERS

	A. V. HUNTER, President	
THOMAS KEELY, Vice-President		J. C. HOUSTON, Assistant Cashier
F. G. MOFFAT, Vice-President		F. J. DENISON, Assistant Cashier
GERALD HUGHES, Vice-President		D. R. PLATT, Assistant Cashier
C. S. HAUGHWOUT, Cashier		C. C. HENDRIE, Assistant Cashier

G. M. HAUKE, Auditor

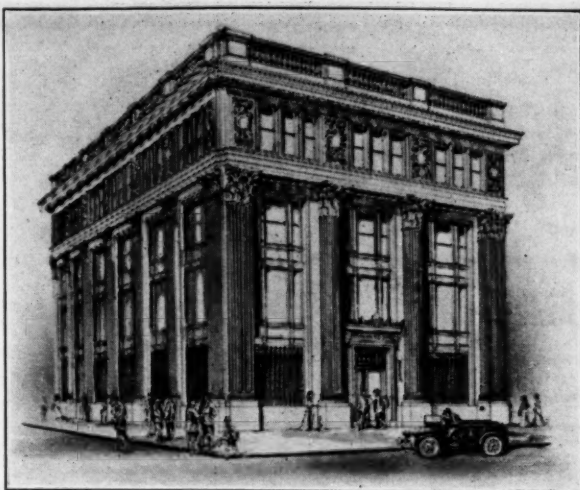
DIRECTORS

W. N. W. BLAYNEY
E. B. FIELD
C. S. HAUGHWOUT
CHARLES HAYDEN
J. A. HAYES

CRAWFORD HILL
J. C. HOUSTON
GERALD HUGHES
A. V. HUNTER
THOS. KEELY

C. M. MacNEILL
W. P. McPHEE
F. G. MOFFAT
J. K. MULLEN
M. D. THATCHER

Accounts of Banks and Bankers Received on Favorable Terms
SPECIAL COLLECTION FACILITIES



The International Trust Co.

Denver, Colorado

Capital and Surplus, \$1,000,000

Resources over . . . 6,000,000

H. M. BLACKMER, President

THEO. G. SMITH, Vice-President

H. H. BROOKS, Secretary

P. E. CLELAND, Treasurer

Transact a General Trust Company Business

BOND DEPARTMENT

Boettcher, Porter & Company

Denver

MUNICIPAL AND CORPORATION BONDS
INVESTMENT SECURITIES



THE NATIONAL BANK OF THE REPUBLIC

SALT LAKE CITY

Capital - - - \$300,000

Surplus and Profits 325,000

FRANK KNOX, President

W. F. EARLS, Cashier

J. A. MURRAY, Vice-President

E. A. CULBERTSON, Asst. Cashier

CORRESPONDENCE, WITH A VIEW TO BUSINESS,
SOLICITED

MEMBERS OF

New York Stock Exchange
Boston Stock Exchange
Chicago Stock Exchange
New York Cotton Exchange
New Orleans Cotton Exchange
Chicago Board of Trade
New York Coffee Exchange
New York Produce Exchange

Associate Members of
Liverpool Cotton Association

BENJ. B. BRYAN

JOHN G. LONSDALE
New York

R. W. MCKINNON

T. J. BROSDAHAN
Chicago

LOGAN & BRYAN

New York, 111 Broadway

Chicago, 2 Board of Trade

Private Wires Atlantic to Pacific
Great Lakes to the Gulf

National Bank of Commerce

In St. Louis

Capital - Surplus - Profits

\$18,000,000

In estimating the safety of a Bank, it is always well to remember that the Capital and Surplus, in other words, the Bank's own money, is that which gives security to the depositors. In view of the financial disturbances through which the country has passed, security is the feature which should merit the first consideration. The large Capital and Surplus of this Bank forms a fund that insures absolute security to those who entrust their money to us.



OFFICERS:

B. F. EDWARDS, President
TOM RANDOLPH, Vice-President
JNO. NICKERSON, Vice-President

W. B. COWEN, Vice-President
W. L. McDONALD, Vice-President
J. A. LEWIS, Cashier

CAPITAL, \$2,000,000

SURPLUS, \$2,000,000

DEPOSITS, \$36,000,000



OFFICERS

C. H. HUTTIG, Pres.

G. W. GALBREATH, Vice-Pres.

R. S. HAWES, Vice-Pres.

T. WRIGHT, Vice-Pres.

J. R. COOKE, Cashier

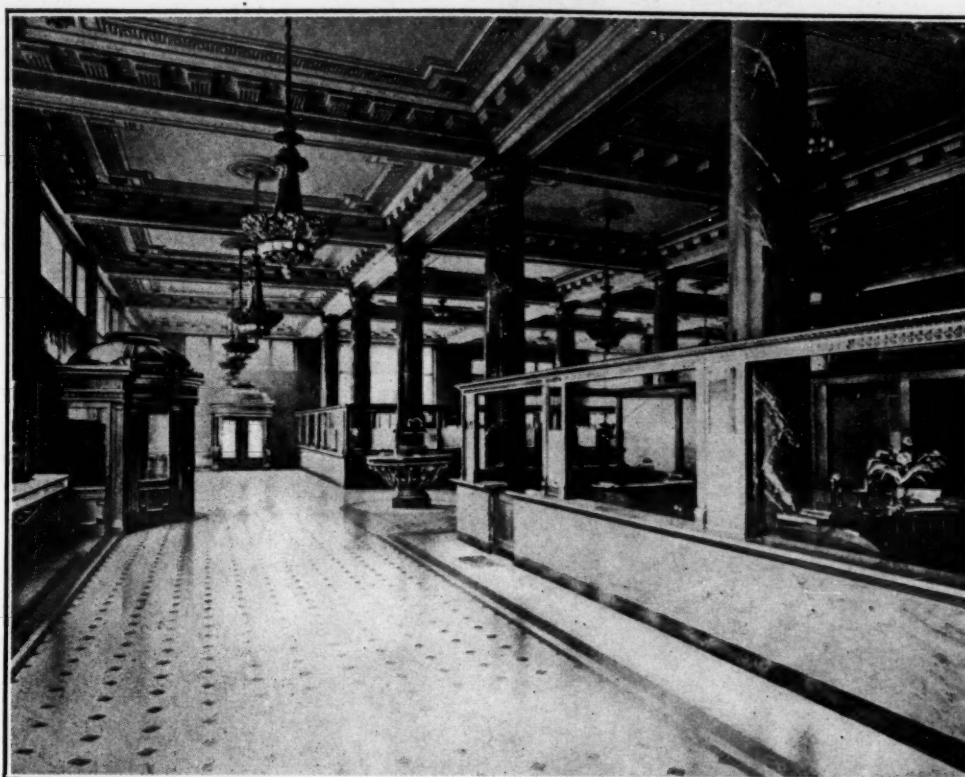
D. A. P. COOKE, Asst. Cashier

H. HALL, Asst. Cashier

E. C. STUART, Asst. Cashier

Mechanics-American National Bank

SAINT LOUIS



OFFICIAL REPORT OF CONDITION SEPT. 1ST, 1911 (CONDENSED)

RESOURCES

Bills Discounted	-	-	-	-	-	-	-	\$15,382,523.72	
Demand Loans	-	-	-	-	-	-	-	5,388,417.52	\$20,770,941.24
Overdrafts	-	-	-	-	-	-	-	-	499.44
U. S. Bonds to Secure Circulation (At Par)	-	-	-	-	-	-	-	-	2,000,000.00
Redemption Fund	-	-	-	-	-	-	-	-	100,000.00
Bonds to Secure U. S. Deposits	-	-	-	-	-	-	-	-	1,000.00
Other Bonds	-	-	-	-	-	-	-	-	1,337,561.05
Real Estate, Furniture and Fixtures, etc.	-	-	-	-	-	-	-	-	297,662.29
Cash,									
With Banks	-	-	-	-	-	-	-	7,132,488.57	
In Vaults	-	-	-	-	-	-	-	8,996,555.96	16,129,044.53
									<u>\$40,636,708.55</u>

LIABILITIES

Capital Stock	-	-	-	-	-	-	-	-	\$2,000,000.00
Surplus and Undivided Profits	-	-	-	-	-	-	-	-	2,899,129.51
(Taxes 1911 Paid)									
Circulation	-	-	-	-	-	-	-	-	1,991,997.50
Deposits	-	-	-	-	-	-	-	-	33,745,581.54
									<u>\$40,636,708.55</u>

Accounts of Banks, Corporations, Firms and Individuals solicited to whom we are prepared to furnish every proper banking facility.

OFFICERS

WALKER HILL, PRESIDENT

JACKSON JOHNSON, Vice-President
FRANK O. HICKS, Vice-President
EPHRON CATLIN, Vice-President
J. S. CALFEE, Cashier

G. M. TRUMBO, Ass't Cashier
C. L. ALLEN, Ass't Cashier
P. H. MILLER, Ass't Cashier
C. L. BOYE, Ass't Cashier

Bankers, Trustees and Investors

will find it highly advantageous to consult
us regarding Bonds to meet any requirement.
On request we will send details of new issues
and our Magazine,

"FACTS AND FACTORS"

A. G. EDWARDS & SONS

410 Olive Street, St. Louis, Mo.

1 Wall Street, New York

William R. Compton Company

111 West Monroe Street
CHICAGO

Merchants-Laclede Building
ST. LOUIS

Capital Fully Paid \$400,000

ESTABLISHED IN 1889

MUNICIPAL AND CORPORATION BONDS

We own a carefully selected list of over thirty issues
of high class City, School and other Tax Bonds

Special attention paid to
BANK BUSINESS

List of Investments sent
on application

THE MICHIGAN TRUST COMPANY

GRAND RAPIDS, MICH.

Capital	-	-	-	\$200,000
Surplus	-	-	-	400,000

LEWIS H. WITHEY, Prest.
WILLARD BARNHART, 1st Vice-Prest.
HENRY IDEMA, 2nd Vice-Prest.
F. A. GORHAM, 3rd Vice-Prest.
GEORGE HEFFERAN, Secy.
CLAUDE HAMILTON, Asst. Secy.

Acts as Executor, Administrator, Guardian, Trustee, Receiver, Assignee, etc.
Loans Money on Real Estate and Collateral Security. Takes entire charge of Property. Audits books. Has High Grade Bonds and other Securities for sale.

THE OLD NATIONAL BANK

GRAND RAPIDS, MICH.

Capital and Surplus, \$1,300,000
Resources, \$8,000,000

OLDEST BANK IN WESTERN MICHIGAN

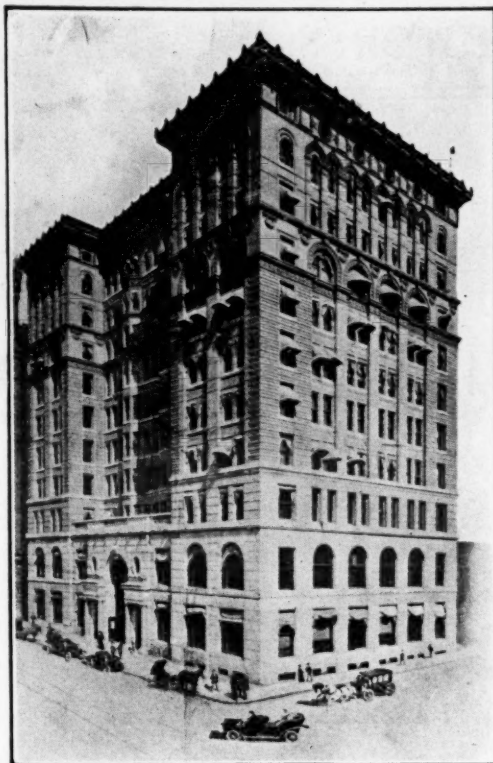
CORRESPONDENCE INVITED

WILLARD BARNHART	President
CLAY H. HOLLISTER	Vice President
WILLIAM JUDSON	Vice President
GEO. F. MACKENZIE	Cashier
H. A. WOODRUFF	Asst. Cashier

UNION TRUST COMPANY

DETROIT, MICHIGAN

ESTABLISHED 1891



¶ Substantial, ever-present and well equipped for the transaction of all classes of trust business.

OFFICERS

HENRY B. LEDYARD, Chairman

FRANK W. BLAIR,
President

GERALD J. McMECHAN,
Secretary

GEORGE HENDRIE,
First Vice-Pres.

CHARLES R. DUNN,
Treasurer

A. E. F. WHITE,
Second Vice-Pres.

ALEXANDER C. LONG,
Asst. Sec.

B. S. COLBURN,
Third Vice-Pres.

HOBART B. HOYT,
Trust Officer

THE DIME SAVINGS BANK Detroit, Mich.

Capital - - - \$1,000,000
Surplus and undivided profits - - - \$680,000
Deposits - - - \$10,600,000

¶ Deposits of this bank for a number of years have grown a million dollars a year. They have increased more than \$3,000,000 in the last eight months.

¶ The Dime Savings Bank, with its able management and progressive policy, keeps a pace with Detroit's remarkable business development.

OFFICERS

WILLIAM LIVINGSTONE, President
GEORGE H. BARBOUR and J. L. HUDSON, V. Pres.
C. A. WARREN, Cashier
F. F. TILLOTSON D. S. CARNEGIE
L. C. SHERWOOD C. E. PARTRIDGE
Asst. Cashiers
GEO. T. BREEN, Auditor

H. W. NOBLE AND COMPANY

Penobscot Building
43 Exchange Place
Land Title Building

DETROIT
NEW YORK
PHILADELPHIA

MUNICIPAL
RAILROAD
CORPORATION

BONDS

Investment Securities

NEW YORK, DETROIT and
PHILADELPHIA STOCKS



¶ This Bank, being at the logical center of Wisconsin banking activity, and having an exceptional list of State and Foreign correspondents, offers its services to conservative Banks with the assurance that such a connection will be of mutual advantage.

The First National Bank OF MILWAUKEE

THE PEOPLES STATE BANK DETROIT, MICH.

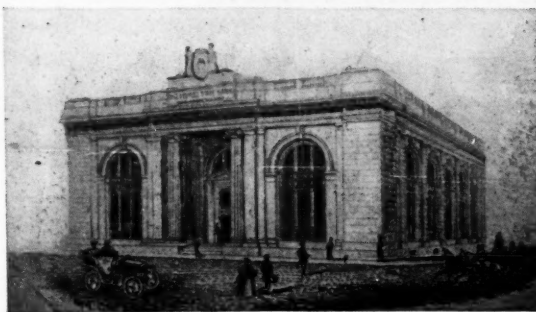
CAPITAL AND SURPLUS

\$3,000,000

DEPOSITS

33,000,000

WRITE US ABOUT YOUR
MICHIGAN COLLECTIONS



GEO. H. RUSSEL, President.
M. W. O'BRIEN, Vice-Pres.
GEO. E. LAWSON, Vice-Pres.
R. S. MASON, Vice-Pres.
F. A. SCHULTE, Vice-Pres.
B. S. COLBURN, Vice-Pres.
AUSTIN E. WING, Cashier.
H. P. BORGMAN, Cash. Sav. Dept.
R. W. SMYLLIE, Mgr. Credit Dept.
J. R. BODDE, Assist. Cashier.
C. H. AYERS, Assist. Cashier.
ENOCH SMITH, Assist. Cashier.
R. T. CUDMORE, Asst. Cashier.

Accounts of Banks, Bankers and Trust Companies Received on Favorable Terms

DES MOINES NATIONAL BANK

DES MOINES, IA.



Offers its services to all seeking a desirable connection for handling IOWA business. Its central location and large list of correspondents afford facilities unexcelled in this field.

Resources Six and One Half Million Dollars

ARTHUR REYNOLDS
President

J. H. BLAIR
Vice-President

C. A. BARR
Cashier

A. J. ZWART
Assistant Cashier

A. M. REYNOLDS
Assistant Cashier

Continental and Commercial Trust and Savings Bank

Capital, \$3,000,000



BOND DEPARTMENT

We offer a carefully selected list of High Grade

MUNICIPAL
RAILROAD
CORPORATION

BONDS

YIELDING
4% TO 6%

Suitable for Individuals, Trust Funds and Estates

List and special descriptive circulars will be mailed on request

ADDRESS

BOND DEPARTMENT

CONTINENTAL AND COMMERCIAL TRUST AND SAVINGS BANK

129 South Clark Street, Chicago

The Capital Stock of this Bank is owned by the Stockholders of
The Continental and Commercial National Bank of Chicago

ALFRED L. NORRIS
Member New York Stock Exchange

FLOYD W. MUNDY
Member Chicago Stock Exchange

J. NORRIS OLIPHANT
Member New York Stock Exchange

JAS. H. OLIPHANT & CO

BANKERS & BROKERS

20 BROAD ST., NEW YORK
Telephone Rector 865

THE ROOKERY, CHICAGO
Telephone Wabash 2114

We have nothing to Sell to Clients
Orders Executed on Commission basis only for the Purchase
and Sale of Stocks, Bonds and all Investment Securities.
Dividends and Coupons Collected and Remitted without Charge
Deposit Accounts Accepted Subject to Sight Draft, and
Interest Allowed on Daily Balances

*Copies of our latest edition of the "EARNING POWER OF RAILROADS" and of various pamphlets
on the subject matter of investments will be sent upon request to prospective clients*

BANK INVESTMENTS

We offer you the services of this organization in your selection of either Municipal, Public Service or Railroad Bonds.

A list will be sent upon request containing descriptions of such bonds as are suitable to secure Postal Savings Deposits.

E. H. ROLLINS & SONS

234 So. La Salle Street

CHICAGO, ILL.

BOSTON NEW YORK DENVER SAN FRANCISCO

ARTHUR O. SLAUGHTER.

FRANK W. THOMAS.

PHILIP W. SEIPP.

A. O. SLAUGHTER & CO.

Bankers and Brokers

MEMBERS

New York Cotton Exchange,
New York Coffee Exchange,
New York Produce Exchange,

New York Stock Exchange.

Chicago Stock Exchange,
Chicago Board of Trade,
St. Louis Merchants' Exchange.

110 West Monroe Street
Chicago

PRIVATE WIRES TO NEW YORK, BOSTON AND PHILADELPHIA

CHICAGO SAVINGS BANK AND TRUST COMPANY

STATE AND MADISON STREETS, CHICAGO, ILL.

CAPITAL, \$1,000,000.00

The equipment of the Chicago Savings Bank and Trust Company includes facilities which enable Banks, Corporations and firms to transact any financial affairs.

ACTIVE and INACTIVE ACCOUNTS

Both active and inactive accounts are invited, the latter drawing 3% interest.

INVESTMENT SECURITIES

are sold through the Bond Department of the Bank, Railroad, Municipal and other high grade bonds suitable for investing the funds of financial institutions, corporations, firms or individuals being furnished.

TRUSTEESHIPS

The Chicago Savings Bank and Trust Company acts as Trustee under Bond Issues of Corporations, efficient service being assured by reason of the company's thorough experience in serving in this capacity.

OFFICERS

LUCIUS TETER, President	EDWARD J. PRESCOTT, Secretary
EDWARD P. BAILEY, Vice President	JOHN C. ARMSTRONG, Asst. Secretary
JOHN A. McCORMICK, Vice President	F. O. BIRNEY, Asst. Secretary
HOUSTON JONES, Cashier	H. T. SIBLEY, Mgr. Bond Department
WILLIAM M. RICHARDS, Asst. Cashier	H. L. SCHMITZ, Mgr. Real Estate Loan Dept.
WILLIAM T. ANDERSON, Auditor	

Fort Dearborn National Bank

United States Depositary

Capital \$2,000,000
Surplus 500,000
Deposits 24,000,000

OFFICERS

WM. A. TILDEN, President
NELSON N. LAMPERT, Vice Pres. J. FLETCHER FARRELL, Vice Pres.
HENRY R. KENT, Cashier
GEORGE H. WILSON, Asst. Cashier CHARLES FERNALD, Asst. Cashier
THOMAS E. NEWCOMER, Asst. Cashier
HARRY LAWTON, Manager Foreign Department



Fort Dearborn Trust & Savings Bank

Security and Conservatism

Three per cent. paid on Savings Accounts. Deposits made on or before the tenth of each month bear interest from the first. JOHN E. SHEA, Cashier.

Acts as Administrator, Executor, Conservator, Assignee, Receiver, Transfer Agent, Registrar and Trustee.

In fiduciary capacity as agent, makes investments, collections and disbursements.

E. C. GLENNY, Sec'y and Trust Officer.

High grade bonds and investment securities. Our services at disposal of clients.

STANLEY G. MILLER, Mgr. Bond Dept.

Safety Deposit Vaults in connection.

ROBERT C. ROER, Manager.

COMPARATIVE SHOWING OF DEPOSITS

February 14, 1908.....	\$9,887,954.84
February 5, 1909.....	11,617,691.24
March 29, 1910.....	15,041,357.21
January 7, 1911.....	16,736,997.29
March 7, 1911.....	21,574,956.79
June 7, 1911.....	23,137,746.88
September 1, 1911.....	24,500,075.82

The same conservative policy which has governed the Fort Dearborn National Bank for twenty-four years also inspires the management of the Fort Dearborn Trust & Savings Bank.

The Directors and Officers, believing that steady and healthy growth indicates plainly that this policy has found favor, bespeak for the Fort Dearborn Trust & Savings Bank a continuance of the favor that has been extended the older institution.

We particularly desire the accounts of Country Banks. Our Officer in charge is personally acquainted with conditions in your section. We know your wants and wish to serve you.

HATHAWAY, SMITH, FOLDS & CO.

Commercial Paper

NEW YORK
45 Wall Street

BOSTON
60 Congress Street

CHICAGO
137 South La Salle Street

ST. LOUIS
408 Olive Street

PHILADELPHIA
421 Chestnut Street

F. R. McMULLIN & CO.

Investment Securities

HARRIS TRUST BUILDING
CHICAGO

A. G. BECKER & CO.

(INCORPORATED)

COMMERCIAL PAPER

Southwest Corner
La Salle and Monroe Streets

Chicago, Ill.

Western Trust & Savings Bank

THE ROOKERY—CHICAGO

ESTABLISHED 1873

CAPITAL - - \$1,250,000

Receives Accounts of Banks, Bankers, Corporations, Firms and Individuals. Personal Interview and Correspondence Invited

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	Price to yield about:
CITY OF MILWAUKEE, WISCONSIN, 4½'s due serially 1913 to 1931.....	4.05%
TOWNSHIP OF ROYAL OAK, MICHIGAN, 4½'s due July, 1926.....	4.10%
CITY OF ROCKFORD (ILLINOIS), PARK DISTRICT, 4's due serially 1924 to 1928.....	4.13%
CITY OF BRIDGETON, NEW JERSEY, 4½'s due July, 1941.....	4.20%
COUNTY OF TWIN FALLS, IDAHO, 5's due serially 1920 to 1922.....	4.50%
CITY OF WACO, TEXAS, 5's due July, 1941.....	4.55%
COUNTY OF LINCOLN, IDAHO, 4½'s due 1919 to 1928.....	4.60%
COUNTY OF BLAINE, IDAHO, 4½'s due 1923 to 1928.....	4.60%
CITY OF MOUNT PLEASANT, TEXAS, 5's due June, 1941.....	4.75%
COUNTY OF MARSHALL, MINNESOTA, 5's due serially 1917 to 1924.....	4.75%
PARISH OF RED RIVER, LOUISIANA, SCHOOL 5's due serially 1921 to 1941.....	4.80%
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WATERLOO, CEDAR FALLS & NORTHERN RAILWAY COMPANY FIRST MORTGAGE 5's, due January, 1940....	5.30%
GRAYLING LUMBER COMPANY FIRST MORTGAGE 6's due serially 1917 to 1928.....	6.00%

Descriptive circulars mailed upon request.

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and corporation securities.

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(INCORPORATED)

County

MUNICIPAL BONDS

City

39 So. La Salle Street, CHICAGO

School

BONDS

Drainage District

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WILLIAM F. HANCHETT, Vice President

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Founded
1855



Incorporated
1911

Corner Clark and Randolph Streets
CHICAGO

CAPITAL \$1,500,000.00

High-Grade Investment Securities.

Chicago First Mortgages and Bonds for sale.

Issues Letters of Credit for travelers, available in
all parts of the World.

General Domestic and Foreign Banking Business.

Seasoned Gas Bonds

Yielding 5 $\frac{1}{4}$ % to 6%

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“Gas Bonds: Their Record
and Desirability as
Investments”

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BANKERS**

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Established 1898

MUNICIPAL AND CORPORATION BONDS

E. B. SHAPKER & CO.

234 SOUTH LA SALLE STREET

CHICAGO

We Specialize in Underlying Gas Bonds

SCHOOL BONDS

"Rank next to Government Bonds in point of safety"

SCHOOL BONDS are an investment not affected by commercial depression or political attacks, and an investment combining to advantage the following essential features that go to make up a desirable security:

SAFETY (the most important element to be considered).

Secured by general taxes upon all taxable property of every kind and description within the School Districts. The Property is agricultural land assessed at its productive value—a permanent substantial security which is constantly becoming more indispensable to mankind. The taxes amount to but a few cents per acre, and are an absolute prior lien.

CONVERTIBILITY (the second element in importance).

Convertibility is directly proportionate to demand. There is often a broad general demand for School Bonds when other bonds are not so readily marketable. This is explained by the fact that they are not only keenly sought in general investment channels, but are also required by the Permanent School Funds of the States in which they are issued, being a legal investment for such funds. These funds vary from \$5,000,000 to \$60,000,000, and cannot be invested outside of the State of issue, thus creating a demand not in any sense dependent upon conditions prevailing in the general investment market, and adding much strength to the feature of convertibility.

INCOME (the third element of importance).

5% net on the full amount invested. A sound and fair rate of interest, made possible by the great demand for capital in the Western and Middle Western States. This rate is greater than that obtainable on the best first mortgage railroad and municipal bonds, and compares favorably with corporation yields, which pay well on account of the character of the security.

We have at all times School Bonds of the various Western and Middle Western States suitable for individuals, trust funds, banks, insurance and trust companies, etc. Write for our latest list of offerings.

ESTABLISHED 1885

H. C. SPEER & SONS CO.

First National Bank Bldg.

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MUNICIPAL AND PUBLIC UTILITY

STATE
COUNTY
CITY
SCHOOL

BONDS

ELECTRIC
GAS
HEATING
RAILROAD

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Municipal Bonds Netting from 4% to 5½%, Legal for Deposit under
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Allerton, Greene & King

MUNICIPAL, RAILROAD, CORPORATION

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CHICAGO

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We have on hand a carefully selected assortment of Bonds for investment. Particulars on application.
Correspondence of Bankers Invited.

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COMMERCIAL PAPER

Investment Securities

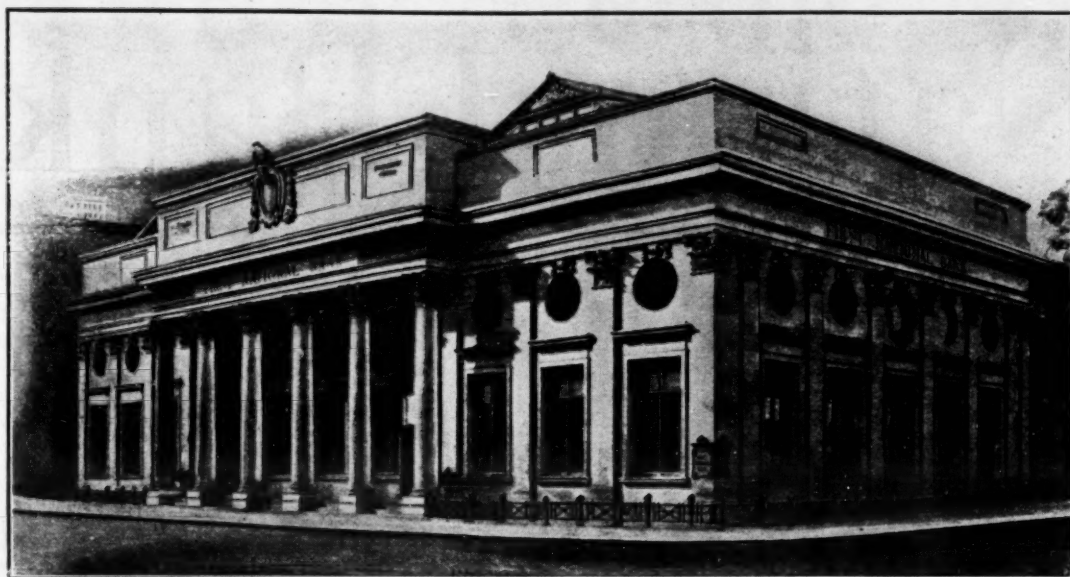
NEW YORK
CHICAGO

BOSTON
ST. LOUIS

PHILADELPHIA
SAN FRANCISCO

FIRST NATIONAL BANK

Minneapolis, Minn.



CAPITAL \$2,000,000 TOTAL ASSETS \$30,000,000 SURPLUS \$2,400,000

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A. A. CRANE, Vice-President
GEO. F. ORDE, Vice-President

D. MACKERCHAR, Vice-President
H. A. WILLOUGHBY, Cashier
G. A. LYON, Assistant Cashier
P. J. LEEMAN, Assistant Cashier

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Minneapolis Trust Company

MINNEAPOLIS, MINN.

Capital \$1,000,000

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MUNICIPAL

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RAILROAD
CORPORATION

AND COMMERCIAL PAPER

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SOLICITS the accounts of Banks,
Bankers, Corporations, Firms
and Individuals. Exceptional Facili-
ties for making Collections through-
out the World. Foreign Exchange
Bought and Sold. Travelers' and
Commercial Letters of Credit is-
sued and Transfers made by Cable.

Capital	\$3,000,000
Surplus and Undivided Profits .	6,500,000

E. F. SHANBACKER, President.

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FRANK G. ROGERS, Vice-Pres't.

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Wm. R. Nicholson,

Rudolph Ellis,
Clement A. Griscom,
W. A. Lathrop,
Francis I. Gowen,
Arthur E. Newbold,
Isaac H. Clothier,

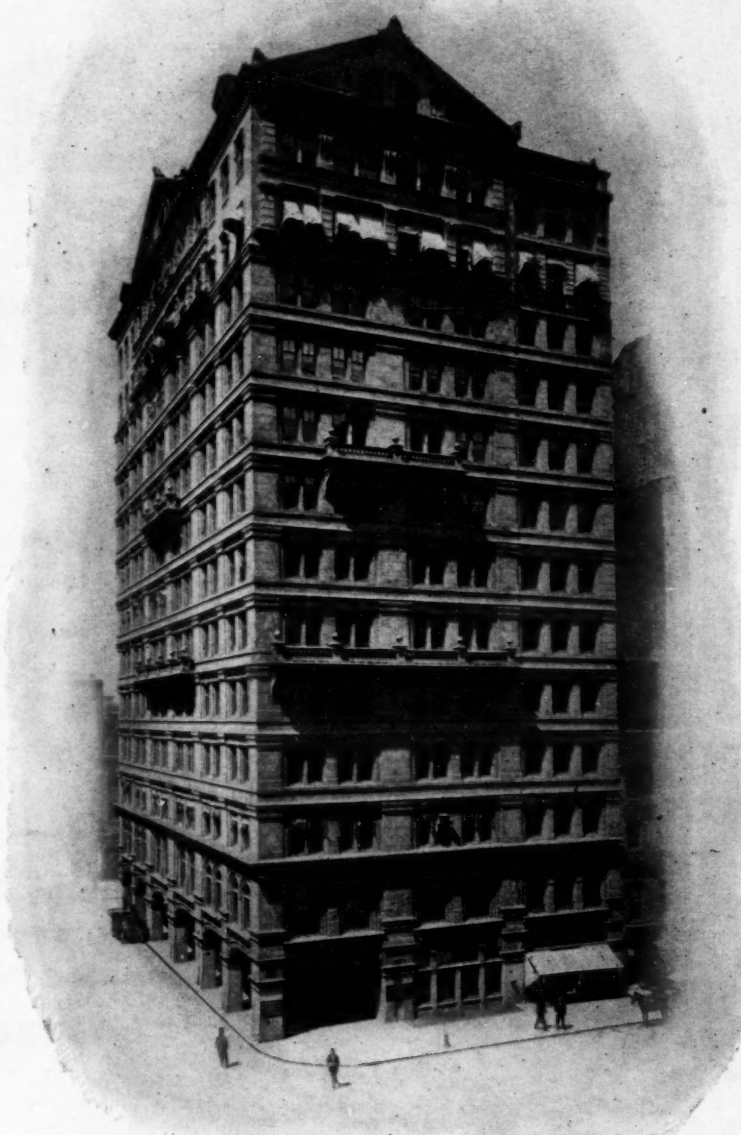
Alba B. Johnson,
C. S. W. Packard,
E. F. Shanbacker,
Roland L. Taylor,
James M. Willcox,
T. C. du Pont.

COMMERCIAL TRUST COMPANY

20 South Broad St., City Hall Square
PHILADELPHIA

CAPITAL, \$1,000,000

SURPLUS, \$2,000,000



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Secretary and Treasurer.

H. W. STEHFEST,
Asst. Secretary and Asst. Treasurer.

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THOMAS DeWITT CUYLER.
RUDOLPH ELLIS.
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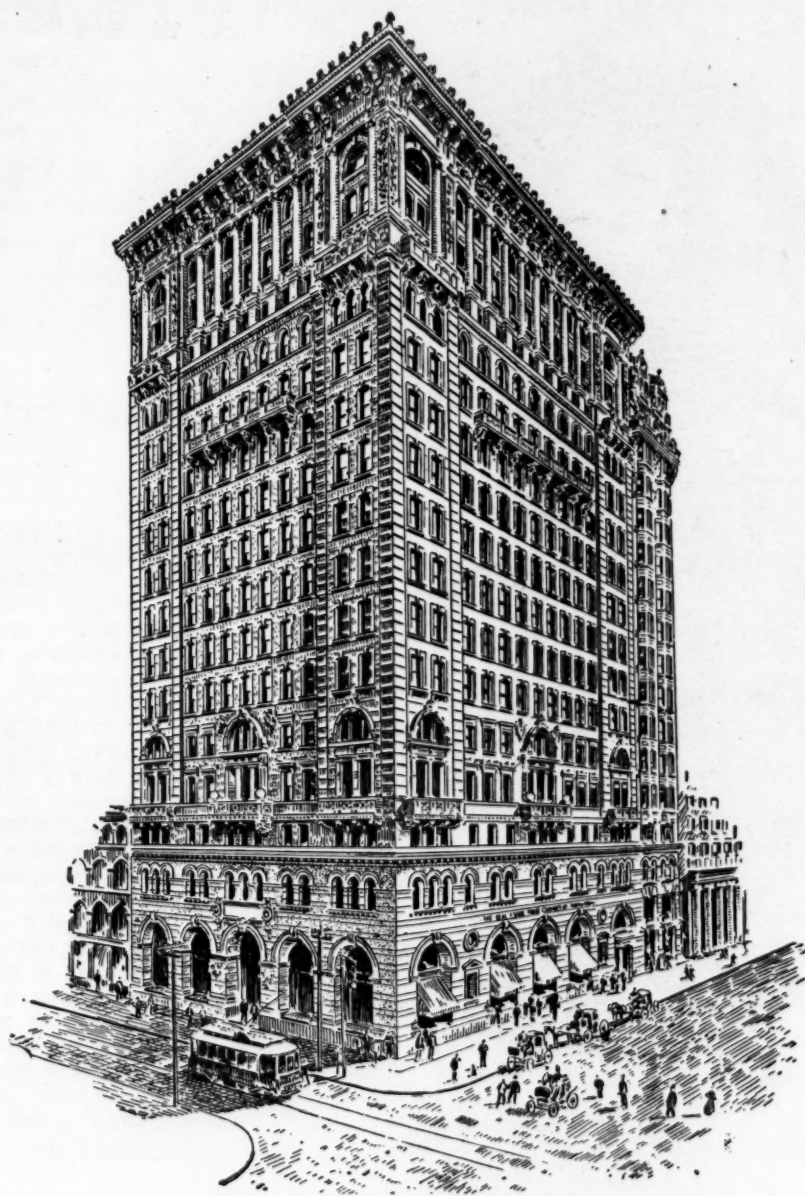
The Real Estate Trust Co. of Philadelphia

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CAPITAL \$4,083,800

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Bayard Henry*

*August B. Loeb
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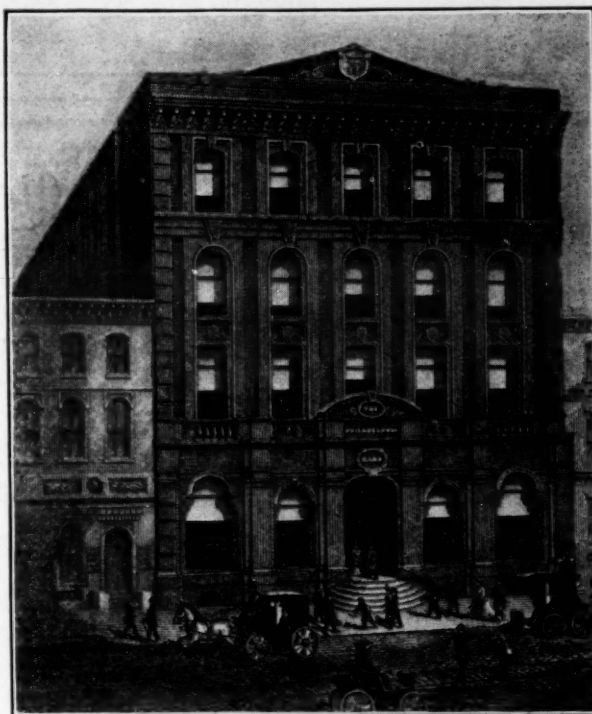
THE PHILADELPHIA

NATIONAL BANK

PHILADELPHIA

Organized 1803

Accounts
of
Banks,
Bankers,
Mercantile
Firms
and
Corporations
Invited



National Bank 1864

Foreign
Exchange
Bought
and
Sold.
Letters
of
Credit
Issued

STATEMENT OF CONDITION, NOVEMBER 1, 1911

RESOURCES

Loans and Discounts.....	\$35,943,080.77
Due from Banks.....	9,153,473.18
Exchanges for Clearing House.....	3,658,575.08
Cash and Reserve.....	11,300,339.72
	<u>\$60,055,468.75</u>

LIABILITIES

Capital Stock.....	\$1,500,000.00
Surplus and Net Profits (Earned).....	4,028,139.49
Circulation.....	644,700.00
DEPOSITS { Individual.....	\$32,681,718.53
Bank.....	21,200,910.73
	<u>\$53,882,629.26</u>
	<u>\$60,055,468.75</u>

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HORACE FORTESCUE,
Assistant Cashier.

LINCOLN GODFERY,
Vice President.
WILLIAM S. MADDOX,
Assistant Cashier.

HARRY J. KESER,
Cashier.
DAVID W. STEWART,
Assistant Cashier.

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LINCOLN GODFREY,
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ALFRED C. HARRISON,
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Personal Service

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Of interest to banks and bankers who appreciate adequate facilities, intelligently administered, and the necessity of reciprocity in banking relationships.

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KENTON WARNE.....2d Vice-Prest.	FREAS B. SNYDER....Asst. Cashier.
THOMAS W. ANDREW.....Cashier.	HARRY J. HAAS.....Asst. Cashier.

Capital and Surplus - - - \$3,000,000

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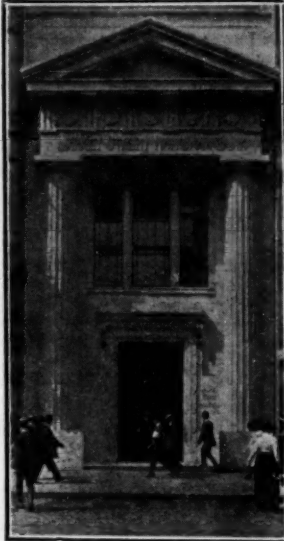
... Bankers ...

INVESTMENT SECURITIES

437 Chestnut Street, Philadelphia

72 West Adams Street
Chicago

102 State Street
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The Market Street National Bank PHILADELPHIA

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GEORGE H. EARLE, JR., 1st Vice-President WM. P. SINNETT, Cashier
NICHOLAS COLEMAN, Assistant Cashier

Capital - - - \$1,000,000
Surplus - - - 1,000,000

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COLLECTION FACILITIES FIRST CLASS

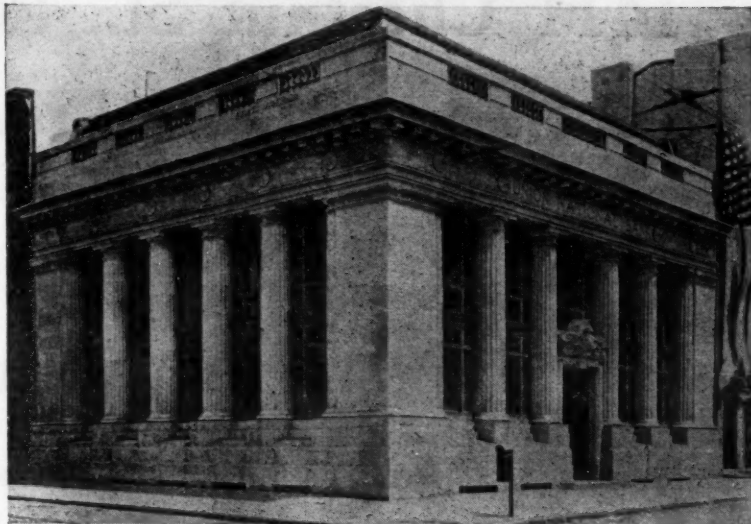
Union National Bank PHILADELPHIA

Capital, \$500,000
Surplus and Undivided Profits, 740,000

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THEODORE H. CONDERMAN,
Vice-President
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Cashier
JOHN W. MINK,
Assistant Cashier
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Accounts of Banks, Bankers,
Firms, Corporations and
Individuals Solicited

The Trust Company of North America

505 CHESTNUT STREET, Philadelphia

Capital and Surplus - \$1,350,000.00

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CHAS. P. LINEAWEAVER, Treasurer and Trust Officer.

Pays Interest on Deposits. Executes Trusts

Takes Charge of Real Estate and

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Savings Fund Pays 3 1-2 Per Cent.

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Edwin S. Dixon
Eugene L. Ellison
Caleb F. Fox

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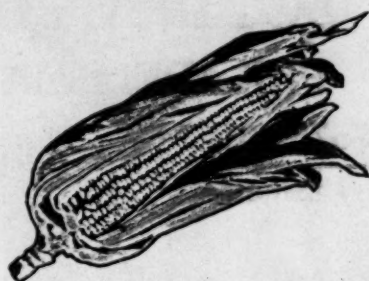
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CORN EXCHANGE

NATIONAL BANK, Philadelphia



West End Trust Company

PHILADELPHIA

CAPITAL, - \$1,000,000

SURPLUS, - \$1,050,000

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*Safe Deposit Boxes for Rent. Storage
for Silverware and other Valuables.
Interest allowed upon Deposits.*

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First National Bank Bldg.
LONDON
58, Coleman St., E. C.

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THE NORTH AMERICAN BUILDING, PHILADELPHIA

CAPITAL \$1,000,000 SURPLUS \$575,501

Transacts a General Trust Company Business

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Rodman Wanamaker, Vice-President. John J. Collier, Treasurer.
J. Ernest Richards, 2nd Vice-President. Allan Hunter, Ass't Treasurer.

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Rodman Wanamaker Louis S. Fiske J. Ernest Richards
W. Frederick Snyder William L. Nevin John C. Lowry
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Thos. A. Biddle & Co.

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New York Stock Exchange

Private Wire to New York

326 Walnut Street

209-212 Real Estate Trust Building

PHILADELPHIA, PA.

E. W. Clark & Co.

Bankers

321 Chestnut Street, Philadelphia

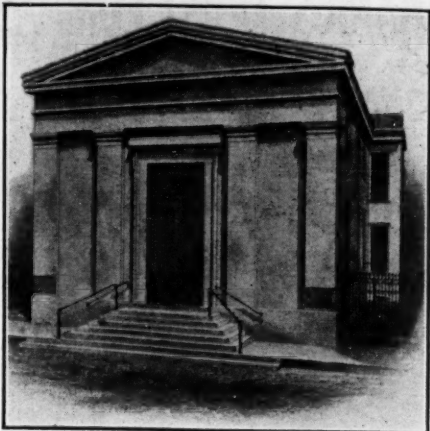
ESTABLISHED 1837

Municipal, Railroad and Public Service Securities Bought and Sold

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New York Correspondents { CLARK, DODGE & CO.
FIRST NATIONAL BANK
REDMOND & CO.

INTEREST ALLOWED ON DEPOSITS



The Trenton Banking Company

Trenton, N. J.

Chartered by the State of New Jersey, Dec. 3, 1804, this bank has continued in business ever since that time at the same location.

Capital, \$500,000 Surplus, \$500,000
Deposits, Sept. 1, \$3,800,000

All business entrusted to this bank will receive the most careful attention. Collections promptly made. Correspondents in all principal towns of New Jersey.

OFFICERS:

JOHN A. CAMPBELL, President
HENRY W. GREEN, Vice-President **ROBERT W. HOWELL, Cashier**
FOSTER C. GRIFFITH, Vice-President **IRA FROST, Assistant Cashier**

EDWARD B. SMITH & CO

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 AND PHILADELPHIA
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 HIGH GRADE INVESTMENT
 SECURITIES

ESTABLISHED 1873

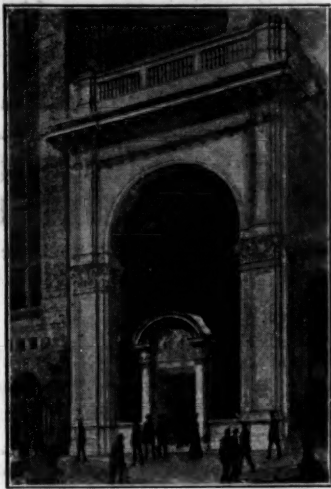
CAMDEN SAFE DEPOSIT AND TRUST COMPANY

CAMDEN, N. J.

Capital, Surplus and Undivided Profits, \$1,200,000.00
Deposits 6,500,000.00
Trust Funds 6,000,000.00

Well equipped for the settlement of estates, care of trust funds and other financial business

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WILLIAM S. SCULL, Vice-President. **JOSEPH LIPPINCOTT, Secretary and Treasurer.**
EPHRAIM TOMLINSON, 2nd Vice-Pres. and Trust Officer. **GEORGE J. BERGEN, Solicitor.**



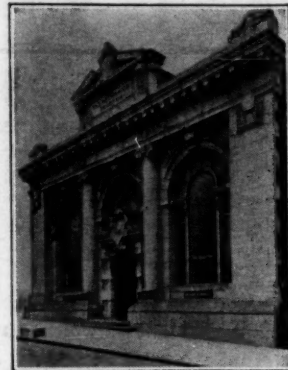
Essex County National Bank NEWARK, N. J.

Capital \$1,000,000
Surplus and Profits 1,500,000

United States Depository

CHARLES L. FARRELL, President
FRANK B. ADAMS, Vice-Pres.
BENJAMIN ATHA, Vice-Pres.
GEO. F. REEVE, Vice-Pres.
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THE MECHANICS' TRUST COMPANY OF NEW JERSEY BAYONNE N. J.



Collections
For and
Accounts of
Banks
Solicited

Reciprocal
Balances
Based on
Volume of
Business

COLLECTIONS

Daily Presentation by Our Messengers on Staten Island
(Borough of Richmond, New York City), Jersey City
(including Greenville), Hoboken and Bayonne

ORGANIZED 1886

Only Trust Company in New Jersey that clears through the
New York Clearing House

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Union National Bank, Newark, N. J.

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Resources \$17,000,000

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Morristown Trust Company MORRISTOWN, N. J.

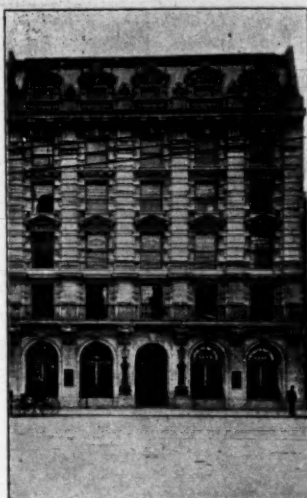
Capital and Surplus over \$2,000,000.00 Resources \$10,000,000.00
Deposits over \$7,500,000.00 Depositors 4700

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WILLARD W. CUTLER, Vice-Pres. JOHN H. CAPSTICK, Vice-Pres.
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UNITED STATES AND STATE DEPOSITORY

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 Surplus and Profits, 400,000
 Deposits, 2,500,000

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\$4,000,000.00 We Invite New Jersey Business \$4,350,000.00

Transacts a General Bank-
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 companies and individuals opportunity of selection according to their wants:

Municipal, Railway and Corporation Bonds

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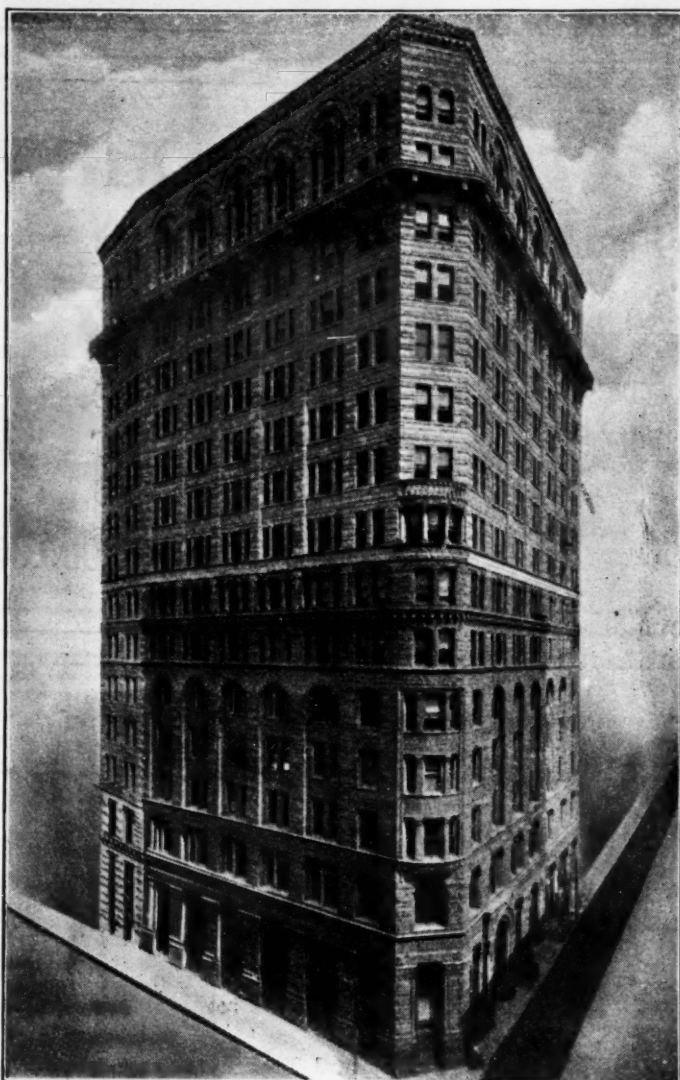
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Charles and Lexington Streets
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VAN LEAR BLACK, 1st Vice-President.
THOMAS A. WHELAN, 2nd Vice-President.
JOHN H. WIGHT, 3rd Vice-President.
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Issues Letters of Credit and Travelers' Checks.

Special Facilities Furnished to Ladies for the Transaction of Their Business.

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Stocks and Bonds	-	-	-	-	-	-	-	-	\$3,597,840.63
Loans Secured by Collateral	-	-	-	-	-	-	-	-	3,891,541.21
Cash in Vault and Depositories	-	-	-	-	-	-	-	-	1,022,628.51
									<u>\$8,512,010.35</u>

LIABILITIES

Capital Stock	-	-	-	-	-	-	-	-	\$1,000,000.00
Surplus and Undivided Profits	-	-	-	-	-	-	-	-	907,182.05
Deposits	-	-	-	-	-	-	-	-	6,604,828.30
									<u>\$8,512,010.35</u>

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SAFE DEPOSIT AND TRUST COMPANY

OF BALTIMORE

13 South Street

Chartered 1864

Capital, \$600,000

Surplus }
and
Profits } \$2,200,000

Acts as Trustee of Corporation Mortgages. Fiscal Agent for Corporations and Individuals, Transfer Agent and Registrar. Depository under plans of reorganization.

Acts as Executor, Administrator, Guardian, Trustee, Receiver, Attorney and Agent, being especially organized for careful management and settlement of estates of every character.

Fireproof Building with latest and best equipment for safety of contents.

Safes for rent in its large fire and burglar proof vaults, with spacious and well lighted coupon rooms for use of patrons.

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RIGGS NATIONAL BANK

Pennsylvania Avenue—WASHINGTON, D. C.—Opp. U. S. Treasury

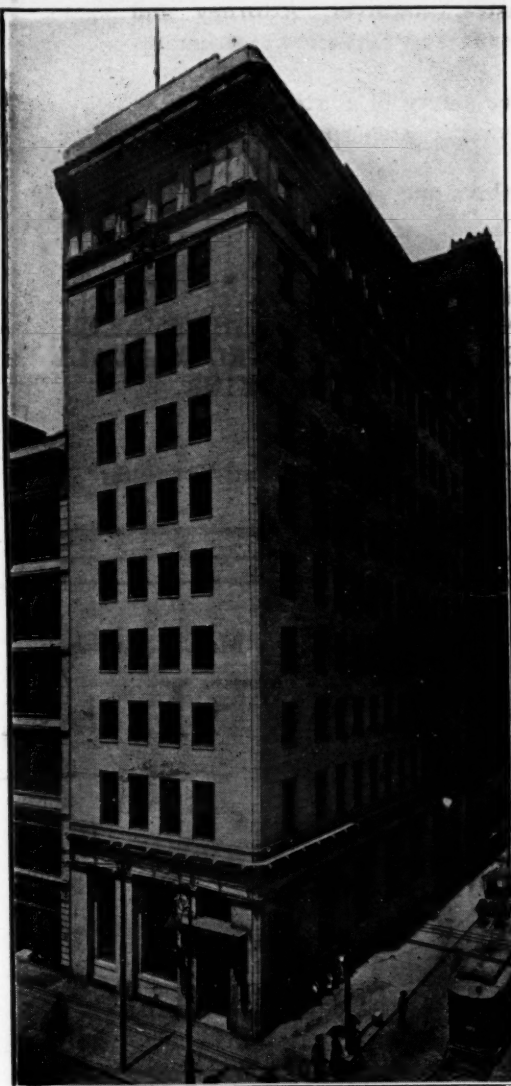
CAPITAL \$1,000,000 SURPLUS AND UNDIVIDED PROFITS \$2,000,000

LETTERS OF CREDIT ISSUED

Drafts issued direct on principal cities of the world. Money transmitted by cable.
Exchange bought and sold. Bankers Circular Notes. Investments and
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Liberty Avenue and Ninth Street.

ORGANIZED 1863

Second National Bank OF PITTSBURGH

Depository of the United States
the State of Pennsylvania
and the City of Pittsburgh

Capital, \$1,800,000

Surplus and Profits, \$2,150,000

Deposits, \$16,000,000

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Correspondents

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BANKERS

Members of New York Stock Exchange.

NEW YORK, N. Y.

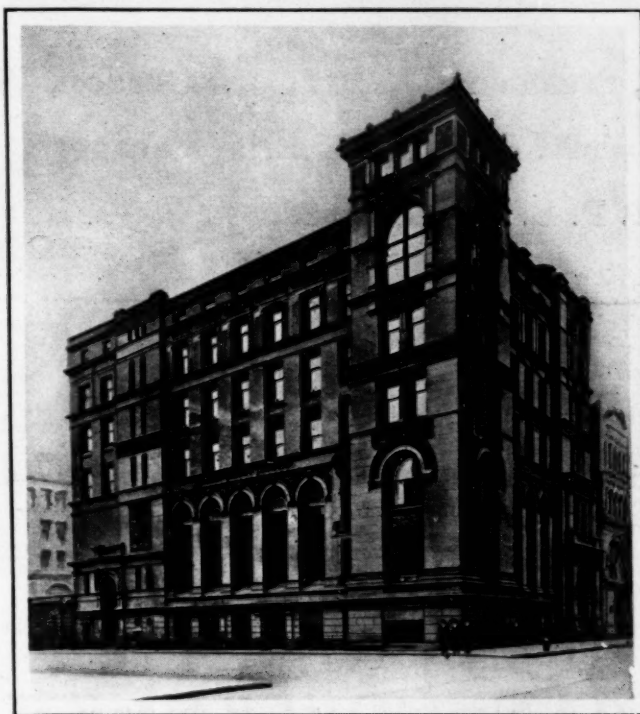
Extend the courtesies and facilities of their Bank to those visiting Washington, D. C.

LOCAL HIGH CLASS SECURITIES A SPECIALTY.

The Canadian Bank of Commerce

Capital \$11,000,000 Reserve \$9,000,000

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Established
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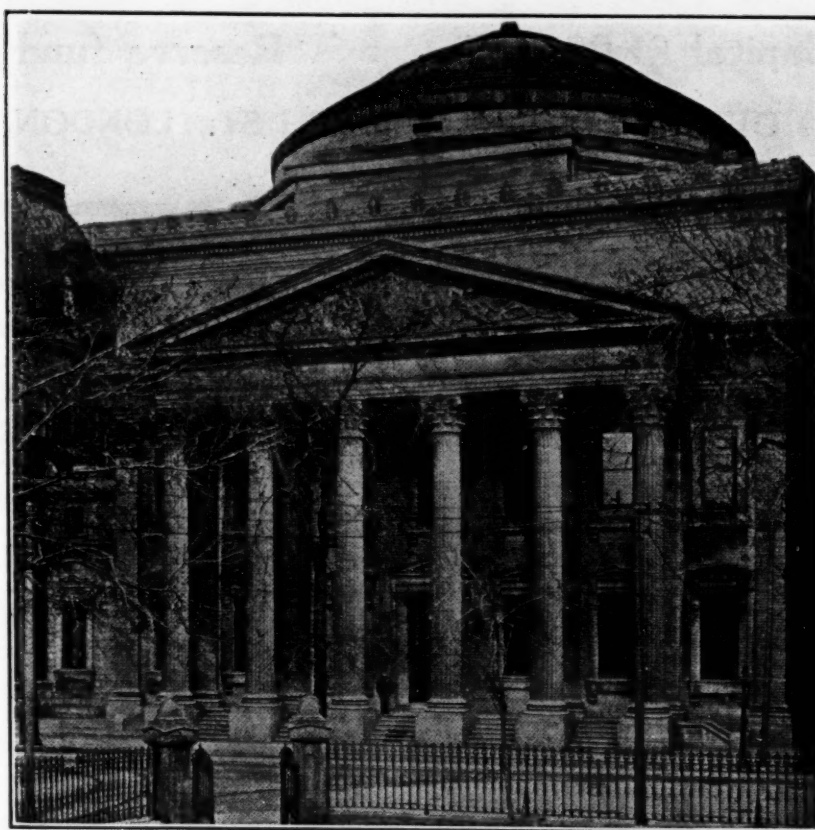
46 Threadneedle St.
LONDON, E. C.

Bank of Montreal

ESTABLISHED 1817

Head Office :: MONTREAL, CANADA

Capital paid up,	\$15,000,000
Rest, - - -	\$15,000,000
Undivided profits,	\$1,800,000



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IT ISSUES COMMERCIAL AND TRAVELLER'S CREDITS, AVAILABLE WITH ITS CORRESPONDENTS IN ALL PARTS OF THE WORLD, MAKES COLLECTIONS AT ALL POINTS, AND BUYS AND SELLS STERLING AND CONTINENTAL EXCHANGE AND CABLE TRANSFERS.

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Reserve fund £545,000

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A. S. HALL, Assistant Inspector.

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ESTABLISHED 1864

The Merchants' Bank OF CANADA

Head Office: MONTREAL

Capital Paid Up, \$6,000,000 Reserve Fund and Undivided Profits, \$4,999,297

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Belleville	Meaford
Berlin	Mildmay
Bothwell	Mitchell
Brampton	Muirkirk
Chatham	Napanee
Chatsworth	Oakville
Chesley	Orillia
Creemore	Ottawa
Delta	Owen Sound
Eganville	Parkdale
Elgin	Perth
Elora	Prescott
Finch	Preston
Fort William	Renfrew
Galt	Stratford
Gananoque	St. Eugene
Georgetown	St. George
Glencoe	St. Thomas
Gore Bay	Tara
Granton	Thamesville
Hamilton	Tilbury
Hanover	Walkerton
Hespeler	Wallaceburg
Ingersoll	Watford
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Kingston	Westport
Lancaster	Wheatley
Lansdowne	Williamstown
Leamington	Windsor
Little Current	Yarker
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" South	

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Brandon	Neepawa
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Head Office, Montreal.

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Montreal—1255 St. Cath. St. E.
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Montreal—1330 St. Law. Boul.
Montreal—1866 St. Law. Boul.
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Canadian Cash Items negotiated at minimum rates at the

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This is one of the reasons why so many American investors are devoting particular attention to Canadian investments.

As our Company has financed and carried through a number of larger Canadian Industrial Consolidations and Reorganizations, we are in a position to submit a list of securities of especial merit.

At a time when the Pulp Industry of Canada is attracting world-wide attention, we offer the 6% bonds of Spanish River Pulp & Paper Mills, Limited. The Company owns 6,000 square miles. Its Pulp Mill has an output of 160 tons a day and Paper Mill 100 tons a day.

The 5% Debentures of Belding-Paul-Corticelli, Ltd., have an unusually attractive feature. The Company is a consolidation of all the silk thread manufacturing companies of Canada. The unusual feature is that the debentures are convertible into the preferred stock of the company any time between May, 1913, and May, 1915.

Canada Machinery 6% Bonds. The Company is a consolidation of the larger Tool and Wood machinery plants of Canada.

Our Statistical Department would be pleased to supply information regarding all Canadian bond issues.

DOMINION BOND COMPANY LIMITED

MONTREAL
Merchants' Bank Bldg.

TORONTO
Royal Bank Bldg.

OTTAWA
Citizen Bldg.

LONDON, ENG.

The Royal Bank of Canada

INCORPORATED 1869

Capital Authorized	-	-	-	-	-	\$10,000,000
Capital Paid Up	-	-	-	-	-	6,200,000
Reserve and Undivided Profits	-	-	-	-	-	7,200,000
Total Assets	-	-	-	-	-	110,000,000

Head Office, Montreal

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E. L. PEASE, *Vice-President*

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WILEY SMITH
D. K. ELLIOTT

JAS. REDMOND
W. H. THORNE

HUGH PATON
WM. ROBERTSON

E. L. PEASE, *General Manager*

C. E. NEILL and F. J. SHERMAN, *Asst. General Managers*

W. B. TORRANCE, *Supt. of Branches*



NEW YORK AGENCY, THE ROYAL BANK OF CANADA
Corner William and Cedar Streets

The entire ground floor of this building has been secured under a long lease

STATEMENT TO THE DOMINION GOVERNMENT

Showing Condition of the Bank on the

31st OCT., 1911

LIABILITIES

Capital, paid-up	\$6,200,000.00
Reserve Fund	7,000,000.00
Undivided Profits	248,230.93
Notes in Circulation	6,504,265.04
Deposits	88,019,432.26
Due to other Banks	1,688,323.74
	\$109,655,251.97

ASSETS

Cash on hand	\$11,433,311.42
Notes of and Cheques on other Banks	5,541,661.90
Due from other Banks	3,948,861.49
Government and Municipal Securities	2,116,265.93
Railway and other Bonds, Debentures and Stocks	8,921,545.36
Call Loans on Stocks and Bonds	14,747,145.46
Deposit with Dominion Government for Security of Note Circulation	310,000.00
	\$47,018,791.56
Loans and Discounts	60,137,624.77
Bank Premises	2,498,835.64
	\$109,655,251.97

Collections Receive Special Attention

175 Branches in Canada and Newfoundland.
Eighteen Agencies in Cuba and Porto Rico.

BRITISH WEST INDIES.

BAHAMAS—Nassau; BARBADOS—Bridgetown; JAMAICA—Kingston;
TRINIDAD—Port of Spain and San Fernando.

GREAT BRITAIN

LONDON: Princes St., E. C.
W. M. BOTSFORD, *Manager*.
JAS. MACKIE, *Joint Manager*.

UNITED STATES

NEW YORK:
Corner William & Cedar Sts.
S. H. VOORHEES, *Agent*.

Every Department of Banking Business

CANADIAN INVESTMENTS

Our Monthly Bond Circular gives full particulars of the various Canadian issues—
GOVERNMENT, MUNICIPAL, RAILROAD, PUBLIC UTILITY AND INDUSTRIAL
—handled by us

HANSON BROS.

164 ST. JAMES STREET
MONTREAL, CANADA

Union Bank of Canada

HEAD OFFICE, QUEBEC

ESTABLISHED 1865



Winnipeg Branch Building

Capital (Paid Up)	-	\$4,762,440
Rest and	}	3,591,790
Undivided Profits		
Total Assets (over)		57,000,000

Hon. JOHN SHARPLES - President
WILLIAM PRICE, M. P., Vice-President
G. H. BALFOUR - General Manager
H. B. SHAW, Asst. General Manager

London, Eng., Office, 51 Threadneedle St., E. C.
F. W. ASHE, Manager

PRINCIPAL CORRESPONDENTS

LONDON—Parr's Bank Limited
NEW YORK—The National Park Bank
BOSTON—The National Shawmut Bank
CHICAGO—The Corn Exchange National Bank
SAN FRANCISCO—The Bank of California, N. A.

THIS BANK, having 240 Branches in Canada, extending from Halifax to Prince Rupert, offers excellent facilities for making collections.

THE BANK OF OTTAWA

ESTABLISHED 1874

HEAD OFFICE, OTTAWA, CANADA

Paid Up Capital, Rest
and Undivided Profits } **\$7,517,938**

THIS BANK has 87 Branches throughout Canada and is in a position to undertake the Canadian Business of American Banks.

**Canadian
Government,
Municipal and
Corporation Bonds**

WOOD, GUNDY & COMPANY

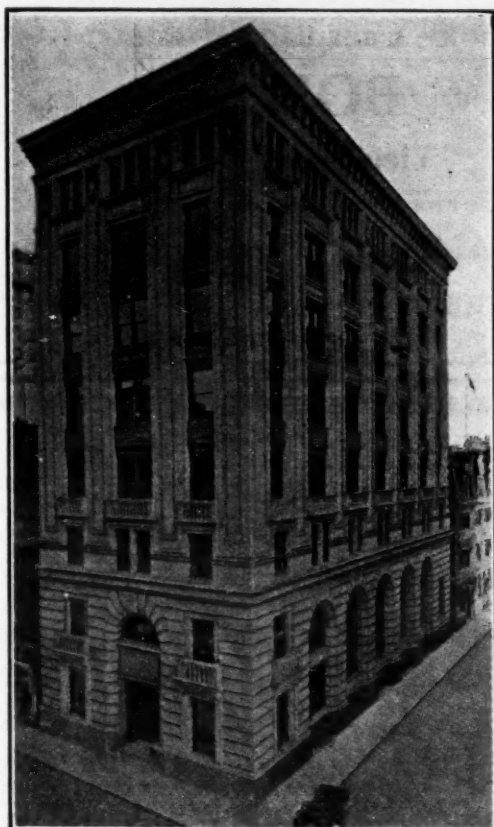
14 CORNHILL
LONDON, England

Our lists comprise carefully selected offerings of Canadian Government, Municipal, and some of the best class of Corporation Bond issues, suitable for investment of the funds of Banks, Trust and Insurance Companies, Estates and Private Investors.

Correspondence Invited.

6 KING STREET WEST
TORONTO, Canada

**The Standard Bank
of Canada**



ESTABLISHED 1873

Capital Authorized	- - -	\$5,000,000.00
Capital Paid Up	- - -	2,000,000.00
Reserve Fund and Surplus Profits		2,616,556.69

HEAD OFFICE: TORONTO, ONT.

110 BRANCHES THROUGHOUT THE DOMINION

CORRESPONDENTS.

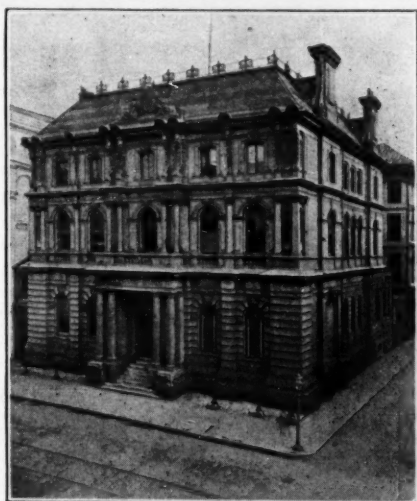
London, Eng., The National Bank of Scotland.
New York, Importers and Traders National Bank.
Chicago, First National Bank.
Boston, National Shawmut Bank of Boston.
Buffalo, Manufacturers and Traders National Bank.
Minneapolis, First National Bank of Minneapolis.

Special facilities for collections throughout Canada.

Correspondence Invited.

GEO. P. SCHOLFIELD,
General Manager.

J. S. LOUDON,
Asst. General Manager.



INCORPORATED 1855

THE MOLSONS BANK

Head Office: MONTREAL

83 BRANCHES IN CANADA

Capital Paid Up	- - -	\$4,000,000
Reserve Fund	- - -	4,600,000
Total Assets Over	- - -	48,000,000

JAMES ELLIOT, General Manager

**SPECIAL ATTENTION GIVEN TO COLLECTIONS
RECEIVED FROM THE UNITED STATES**

BANK OF TORONTO

Capital, \$4,500,000
Reserve, 5,250,000

(INCORPORATED 1855)

TORONTO, CANADA

W. G. GOODERHAM, Vice-President.

DUNCAN COULSON, President.
J. HENDERSON, 2nd Vice-President.

THOS. F. HOW, General Manager.

ONTARIO.
Toronto (10 Brs.),
Allandale,
Barrie,
Berlin,
Bradford,
Brantford,
Brockville,
Burford,
Cardinal,
Cobourg,
Colborne,
Coldwater,
Collingwood,
Copper Cliff,

Creemore,
Dorchester,
Elmvale,
Galt,
Gananoque,
Hastings,
Havelock,
Keene,
Kingston,
London (4 Brs.),
Lyndhurst,
Millbrook,
Milton,
Newmarket,
Oakville,

Oil Springs,
Omamee,
Ottawa,
Parry Sound,
Penetanguishene,
Peterboro,
Petrolia,
Porcupine,
Port Hope,
Preston,
St. Catharines,
Sarnia,
Shelburne,
Stayner,
Sudbury,

Thornbury,
Wallaceburg,
Waterloo,
Welland,
Wyoming.

QUEBEC.

Montreal (6 Brs.),
Gaspe,
Maisonneuve,
St. Lambert,

MANITOBA.

Winnipeg,
Benito,

Cartwright,
Pilot Mound,
Portage la Prairie,
Rossburn,
Swan River,
Transcona.

SASK.

Bredenbury,
Churchbridge,
Elstow,
Glenavon,
Kipling,
Kennedy,
Langenburg,

Montmartre,
Pelly,
Preeceville,
Stenen,
Vibank,
Wolseley,
Yorkton,
Vancouver (2 Br.), B. C.
Aldergrove,
Merritt,
New Westminster,
Calgary, Alta.
Coronation,
Lethbridge,
Mirror,

NEW YORK, National Bank of Commerce.
CHICAGO, First National Bank.

BUFFALO, Manufacturers' & Traders' National Bank.
ST. LOUIS, National Bank of Commerce.

CANADA SECURITIES CORPORATION LIMITED

President—

Hon. Chas. J. Doherty, K. C., M. P.
Minister of Justice of Canada.

Choice Canadian Investment

BONDS

Yielding 5% to 6%

Correspondence Invited

Vice-Presidents—

Rodolphe Forget, Esq., M. P.—Montreal,
President, Banque Internationale du Canada.

George H. Gooderham, Esq., M. P. P.—Toronto
President, Canadian National Exhibition.

THOMAS P. BIRCHALL
General Manager

179 St. James Street, MONTREAL

Branch Offices: TORONTO, Canada

LONDON, England

CANADIAN BONDS, DEBENTURES AND SHARES BOUGHT, SOLD AND APPRAISED

Correspondence invited concerning Canadian Securities

W. GRAHAM BROWNE & CO., Investment Brokers

222 St. James Street, Montreal

R. J. KIMBALL & CO.

Members New York Stock Exchange
Since 1869

W. EUGENE KIMBALL
LEEDS JOHNSON

5 NASSAU ST., NEW YORK

DOMINION SECURITIES CORPORATION LIMITED.

CAPITAL PAID UP, \$1,000,000 RESERVE FUND, \$500,000

Established 1901

HEAD OFFICE: 26 KING STREET EAST, TORONTO

Officers:

HON. GEO. A. COX - - - PRESIDENT
E. R. WOOD - - - VICE-PRESIDENT
G. A. MORROW - - - VICE-PRESIDENT

E. R. PEACOCK - - GENERAL MANAGER
W. S. HODGENS - - - MANAGER
J. A. FRASER - - - SECRETARY

MONTREAL BRANCH

CANADA LIFE BUILDING
E. C. NORSWORTHY, MANAGER

LONDON, Eng., BRANCH

Austin Friars House, 2 Austin Friars
H. G. WALLACE - - MANAGER

CANADIAN GOVERNMENT, MUNICIPAL and CORPORATION BONDS

THE DOMINION BANK

HEAD OFFICE, TORONTO, CANADA

CAPITAL PAID UP - - - - -	\$4,600,000
RESERVE FUND AND UNDIVIDED PROFITS - - -	5,900,000
TOTAL ASSETS - - - - -	66,000,000

EDMUND B. OSLER, M. P., President. WILMOT D. MATTHEWS, Vice-President.
CLARENCE A. BOGERT, General Manager. H. J. BETHUNE, Superintendent of Branches.

Branches and Agencies throughout Canada and United States
Collections Made and Remitted for Promptly

LONDON, ENGLAND, BRANCH
73 CORNHILL, E. C.

NEW YORK AGENTS
NATIONAL CITY BANK—NATIONAL PARK BANK

The Metropolitan Bank

Head Office: Toronto, Canada

S. J. Moore, President
W. D. Ross, General Manager

Capital Paid Up	- - - - -	\$1,000,000.00
Reserve Fund	- - - - -	1,250,000.00
Undivided Profits	- - - - -	104,696.38

Correspondents { NEW YORK: BANK OF THE MANHATTAN COMPANY
LONDON: BANK OF SCOTLAND

PROMPT ATTENTION GIVEN TO COLLECTIONS

NATIONAL DISCOUNT COMPANY, LIMITED

35, CORNHILL, LONDON, ENGLAND

Cable Address: NATDIS, LONDON.

ESTABLISHED, 1856.

Subscribed Capital, \$21,166,625. Paid-up Capital, \$4,233,325.
Reserve Fund, \$2,300,000.

In 169,333 shares of \$125 each, of which \$25 have been paid up. Number of Proprietors, 3 435.

Directors

EDMUND THEODORE DOXAT (Dalgety & Co., Ltd.), Chairman.
SIGISMUND FERDINAND MENDEL (F. Mendl & Co.), Deputy Chairman.
LAWRENCE EDLMANN CHALMERS, (Brown, Shipley & Co.)
FREDERICK WILLIAM GREEN. (A. Dünkelsbühler & Co.)
FREDERICK LEVERTON HARRIS. (Harris & Dixon, Ltd.)
WALTER JAMES HERIOT. (C. J. Hambro & Son.)
JOHN FRANCIS OGILVY. (Ogilvy, Gillanders & Co.)
THE HON. SIDNEY PEEL.

CHARLES DAVID SELIGMAN (Seligman Bros.)

Manager

PHILLIP HAROLD WADE.

FRANCIS GOLDSCHMIDT. } Joint Sub-Managers.
WATKIN W. WILLIAMS. }

Secretary.

CHARLES HENRY GOUGH.

Bankers

BANK OF ENGLAND.

UNION OF LONDON AND SMITHS BANK, LIMITED.

Dr. PROFIT & LOSS ACCOUNT for the Half-year ending 30th June, 1911. Cr.
\$5 = £1 sterling.

To current expenses, including Directors' and Auditors' Remuneration, Salaries, Income Tax, and all other charges..	\$62,603	By balance brought forward from 31st December, 1910	\$99,476
Rebate of Interest on Bills not due, carried to New Account.....	702,676	Gross Profits during the half-year.....	1,028,590
Reserve Fund	50,000		
Six Months' Dividend at the rate of Ten per Cent. per annum, free of Income Tax..	\$211,666		
Balance carried forward to next account	101,121		
	312,787		
	<u>\$1,128,066</u>		<u>\$1,128,066</u>

Dr. BALANCE SHEET, 30th JUNE, 1911. Cr.
\$5 = £1 sterling.

To Subscribed Capital— <u>\$21,166,625</u>	By Cash at Bankers.....	\$2,026,210
viz., 169,333 shares of \$125 each.	Securities—	
Capital, paid-up, viz., \$25 per share....	British and Indian Government. City of London Corporation Bonds, and Trustee Securities	\$9,897,909
Reserve Fund	Other Securities, including short dated Colonial Bonds	2,483,890
Deposits and Sundry Balances.....		12,381,799
Bills Re-discounted	Loans at call, short and fixed dates...	6,396,958
Rebate	Bills Discounted	74,966,083
Amount at credit of Profit and Loss Account	Interest due on Investments and Loans, and Sundry Balances	593,643
	Freehold Premises	500,000
		<u>\$96,864,693</u>
		<u>\$96,864,693</u>

On behalf of the Board,

EDMUND T. DOXAT, *Chairman*.
S. F. MENDEL, *Deputy Chairman*.

We report that we have obtained all the information and explanations which we have required. We have examined the Securities representing Investments of the Company, those held against Loans at call, short and fixed dates, and all Bills discounted in hand. We have also proved the Cash Balances, and verified the Securities and Bills in the hands of Depositors. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information, and the explanations given to us, and as shown by the Books of the Company, except that it does not state the amount of Investments and Bills placed as security against Deposits.

35, CORNHILL, 6th July, 1911.

J. GURNEY FOWLER, F.C.A.,
(Price, Waterhouse & Co.)
FRANCIS W. PIXLEY, F.C.A.,
(Jackson, Pixley, Browning, Husey & Co.)

Auditors.

Approved Bank and Mercantile Bills Discounted. Loans granted upon approved Negotiable Securities. Money received on Deposit, and Interest allowed at rates advertised from time to time; and for fixed periods upon specially agreed terms.

Standard Bank of South Africa, Ltd.

10 CLEMENTS LANE

Head Office—LOMBARD STREET, LONDON, E.C.

Paid-up Capital	£1,548,525	or	\$7,536,153
Reserve Fund	£1,940,000	or	\$9,441,320
Reserve Liability of Shareholders	£4,645,575	or	\$22,608,468
Deposits	£18,211,346	or	\$88,519,282
Total Resources	£26,960,785	or	\$131,047,389



Bank Premises, Cape Town, South Africa.

Bankers to the Government of the Cape of Good Hope and the British Government in the Cape Colony and Transvaal.

One Hundred and Seventy (170) Branches and 12 agencies in Cape Colony, Natal, Transvaal, Orange River Colony, Basutoland, Rhodesia, British Central Africa and East Africa.

W. H. MACINTYRE
AGENT

55 WALL ST., NEW YORK
Also representing

The Bank of New South Wales with three hundred and six (306) branches throughout Australasia, Fiji Papua (New Guinea).

The Yokohama Specie Bank, Limited

YOKOHAMA, JAPAN

Subscribed Capital, Yen 48,000,000

Capital Paid-up, Yen 30,000,000 Reserve Fund, Yen 17,150,000



HEAD OFFICE: YOKOHAMA

BRANCHES AND AGENCIES:

Antung-Hsien	Lyons
Bombay	Nagasaki
Calcutta	Newchwang
Changchun	New York
Darien (Dalny)	Osaka
Fengtien (Mukden)	Peking
Hankow	Ryojun (Port Arthur)
Honolulu	San Francisco
Hong Kong	Shanghai
Kobe	Tiehling
Liaoyang	Tientsin
London	Tokyo

ANGLO-SOUTH AMERICAN BANK, L^D LONDON



Bills on Europe, South America,
Australasia, India and South Africa,
Purchased and Collected.

CAPITAL, (250,000 Shares of £10 each) £2,500,000 or \$12,500,000
PAID UP, - - - 1,250,000 or 6,250,000
RESERVE FUND, - - - 850,000 or 4,250,000

BANKERS:

Bank of England—Barclay & Co., Ltd.—Capital & Counties
Bank, Ltd.—London City and Midland Bank, Ltd.

BRANCHES:

GERMANY: Hamburg. CHILI: Valparaiso, Santiago, Iquique, Antofagasta, Copiapo, Coquimbo, La Serena, Chillan, Concepcion, Punta Arenas. ARGENTINA: Buenos Aires, Bahia Blanca, San Rafael, Mendoza, Rio Gallegos. URUGUAY: Monte Video.

AGENCIES:

New York (U. S.) - - - - - Oruro (Bolivia).

NEW YORK AGENCY, 60 WALL STREET

H. MACKENZIE, Agent

Also Representing:

NATIONAL BANK OF AUSTRALASIA, LTD.

NATIONAL BANK OF INDIA, LTD.

NATIONAL BANK OF SOUTH AFRICA, LTD.

Chartered Bank of India, Australia and China

Incorporated by Royal Charter, 1853



Calcutta Office:

Capital (Gold)
\$6,000,000.00

Reserve Fund
\$8,125,000.00

Reserve Liability of
Shareholders
\$6,000,000.00

Branches in China, Japan, Philippine Islands, Java, Straits Settlements, India and Burmah, and Agencies in all the principal cities of Europe and Australia. Commercial and Travelers' Credits issued, available in all parts of the world. Foreign exchange bought and sold.

Head Office: 38 Bishopsgate, LONDON, ENGLAND

WILLIAM BAXTER, Agent, 88 Wall Street, NEW YORK

MAITLAND, COPPELL & Co.

52 William Street, New York

ORDERS EXECUTED FOR ALL INVESTMENT SECURITIES. ACT AS
AGENTS OF CORPORATIONS AND NEGOTIATE AND ISSUE LOANS

BILLS OF EXCHANGE, TELEGRAPHIC TRANSFERS, LETTERS OF CREDIT ON

Union of London & Smiths Bank, Limited, London
Messrs. Mallet Freres & Cie., Paris
Banco Nacional de Mexico

AND ITS BRANCHES

Agents for the Bank of Australasia, the British Guiana Bank, Demerara, etc., etc.

TRAVELERS' LETTERS OF CREDIT

AVAILABLE THROUGHOUT THE UNITED STATES

THE COMMERCIAL BANK OF SCOTLAND, Ltd.

Established 1810.

Head Office: EDINBURGH.

Paid-up Capital, - - - £1,000,000

Reserve Fund, - - - £900,000

Pension Reserve Fund, - £110,000

ALEX. BOGIE, General Manager.

JAS. L. ANDERSON, Secretary.

LONDON OFFICE: 62 Lombard Street, E. C.

ALEXANDER ROBB AND GEORGE S. COUTTS, Joint Managers.

General Banking Business transacted. Circular Notes, Drafts, and Letters of Credit issued, payable at banking houses in all parts of the world.

With its 168 Branches located all over Scotland, the bank is in a very favorable position to deal with remittance and all other banking transactions on the best terms.

The bank undertakes agency business for Colonial and Foreign Banks.

The Union of London & Smiths Bank, Ltd.

HEAD OFFICE

2 Princes Street, London, England

AUTHORIZED CAPITAL.....	STERLING. £25,000,000
SUBSCRIBED CAPITAL.....	£22,934,100
PAID UP CAPITAL.....	£3,554,785
RESERVE FUND.....	£1,150,000
DEPOSITS & CURRENT ACCOUNTS, 30 JUNE, 1911..	£40,975,873

SIR FELIX SCHUSTER, BART.,

JOHN TROTTER,

Governor.

Deputy Governor.

J. E. W. HOULDING,

H. H. HART,

Manager.

Country and Foreign Manager.

H. R. HOARE, Secretary.

The Bank has Branches or Agents in all the principal Cities and Towns in the United Kingdom and Correspondents throughout the world and undertakes the Agency of Country and Foreign Banks, whether Joint Stock or Private, issues Circular Notes and Letters of Credit for all parts of the Continent of Europe, America and elsewhere, effects purchases and sales in all British and Foreign Stocks and Shares, collects dividends on Stocks and Shares and the half-pay of Officers, Pensions, Annuities, etc., and undertakes Executorships and Trusteeships.

FREDERICK MÜLLER WILLIAM SCHALL, Jr. CARL MÜLLER E. PAVENSTEDT

MÜLLER, SCHALL & CO.

BANKERS

44 Wall Street - - NEW YORK

Foreign Exchange

Commercial Credits

Members
New York Stock Exchange

GEO. D. COOK & CO.

BANKERS

71 Broadway, New York

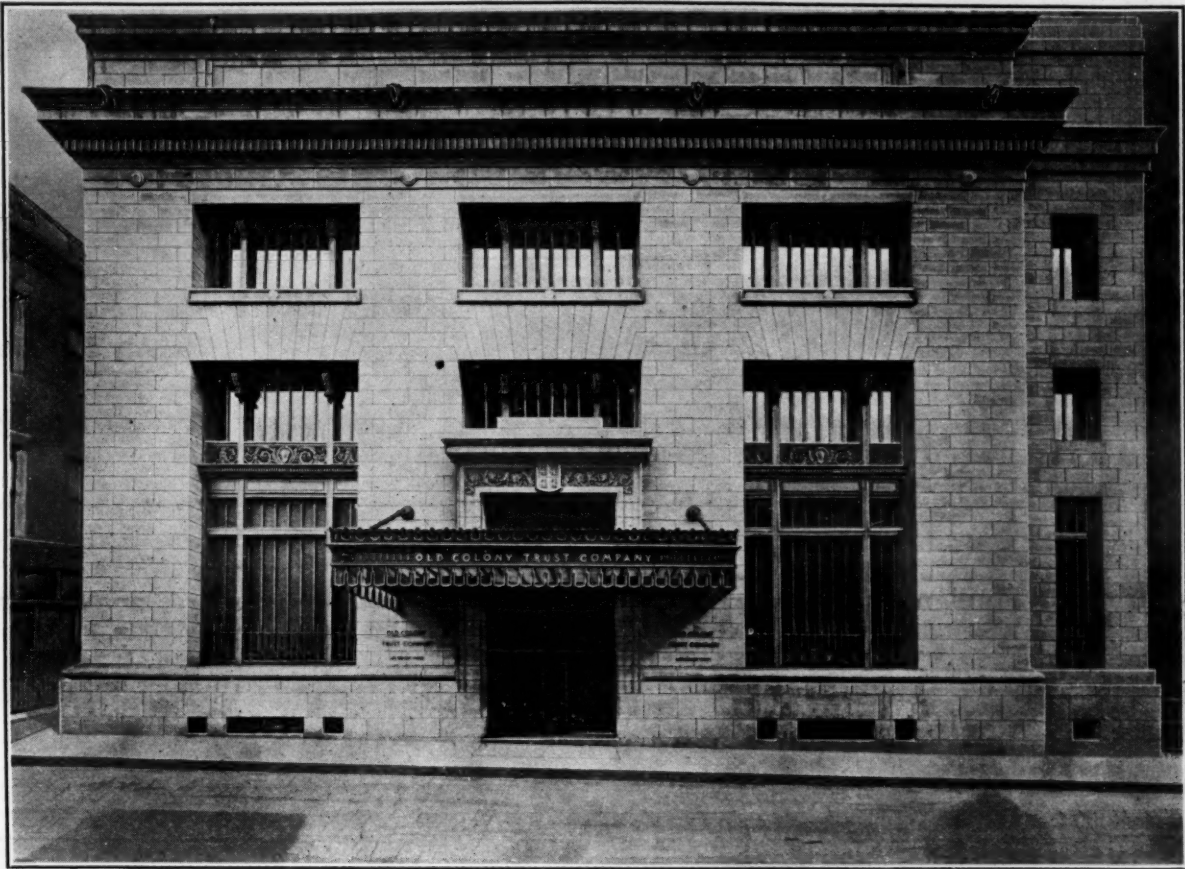
We make a Specialty of Mexican Government, State and Railroad Bonds

OLD COLONY TRUST COMPANY

BOSTON

CAPITAL, \$5,000,000

SURPLUS, \$7,500,000



MAIN BANKING BUILDING, COURT STREET.

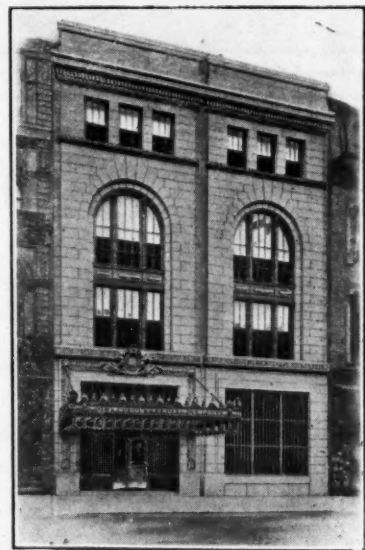
In addition to conducting a general banking and safe deposit business the Old Colony Trust Company acts as trustee under railroad and other mortgages and as agent for the transfer and registration of stocks.

The company is also authorized to act in the administration of estates in trust with all the powers that are given to individuals.

Authorized reserve agent for Maine, Massachusetts and Rhode Island Trust Companies.

OFFICERS:

T. Jefferson Coolidge, Jr., Chairman Executive Committee.
Gordon Abbott, Chairman Board of Directors.
Francis R. Hart, Vice-Chairman Board of Directors.
Philip Stockton, President.
Wallace B. Donham, Vice-President.
Julius R. Wakefield, Vice-President.
E. Elmer Foye, Vice-President.
Chester B. Humphrey, Vice-President.
Frederick G. Pousland, Treasurer.
Geo. W. Grant, Cashier.
S. Parkman Shaw, Jr., Secretary.
Joseph G. Stearns, Assistant Secretary.
F. M. Holmes, Trust Officer.
F. M. Lamson, Manager Temple Place Branch.



BRANCH OFFICE, TEMPLE PLACE.

Webster and Atlas National Bank

OF BOSTON

Capital	- - - -	\$1,000,000
Surplus and Profits	- -	1,050,000

JOHN P. LYMAN, President.
JOSEPH S. BIGELOW, Vice-President.

JOSEPH L. FOSTER, Cashier.
ROBERT E. HILL, Asst. Cashier.

ACCOUNTS OF BANKS, CORPORATIONS, FIRMS AND INDIVIDUALS SOLICITED.

INCORPORATED 1792

THE NATIONAL UNION BANK

BOSTON

Capital, \$1,000,000	Surplus and Profits, \$1,460,000	Deposits, \$11,056,000
----------------------	----------------------------------	------------------------

OFFICERS

HENRY S. GREW, President
THEOPHILUS PARSONS, Vice-President

CHARLES P. BLINN, Jr., Vice-President
WM. S. B. STEVENS, Cashier

NEW ENGLAND BUSINESS OF OTHER BANKS SOLICITED

MERRILL, OLDHAM & CO.

BONDS FOR INVESTMENT

LISTS UPON APPLICATION

35 CONGRESS STREET - - - BOSTON

BONDS

BAKER, AYLING & COMPANY

BOSTON

PHILADELPHIA

PROVIDENCE

HODENPYL, HARDY & Co.

BANKERS

7 Wall Street, New York

**Street Railway, Gas and
Electric Light Securities**

LADD & WOOD

Members New York Stock Exchange

INVESTMENT SECURITIES

7 WALL STREET, NEW YORK

HIGH GRADE RAILROAD BONDS

Suitable for Banks, Insurance and Trust Companies

GUARANTEED R. R. STOCKS

(EXEMPT FROM TAX)

Suitable for Executors, Trustees, &c.

Descriptive List of Offerings on Application

A. M. Kidder & Co

5 NASSAU STREET, NEW YORK

TELEPHONE 2780 RECTOR

Members of the New York Stock Exchange

LAMARCHE & COADY

INVESTMENTS

**GAS, ELECTRIC LIGHT, STREET RAILWAY
AND INDUSTRIAL SECURITIES**

A SPECIALTY

Special list of offerings upon application

Correspondence Invited

25 BROAD STREET

NEW YORK

Organized 1882
THE LINCOLN NATIONAL BANK OF THE CITY OF NEW YORK

42nd STREET, OPPOSITE GRAND CENTRAL TERMINAL

CAPITAL,	:	:	:	\$1,000,000.00
SURPLUS AND UNDIVIDED PROFITS,	:	:	:	\$1,667,600.00
DEPOSITS,	:	:	:	\$21,056,025.00
TOTAL RESOURCES,	:	:	:	\$25,176,537.00

THOMAS L. JAMES, President	WILLIAM A. SIMONSON, Vice-President
CHAS. ELLIOT WARREN, Vice-President	JOHN S. SAMMIS, Jr., Assistant Cashier
DAVID C. GRANT, Cashier	HENRY E. STUBING, Assistant Cashier

DIRECTORS

Thomas L. James,
Howard S. Borden,
Eben E. Olcott,

James Stillman,
William G. Rockefeller,
W. K. Vanerbilt, Jr.

Joseph P. Grace,
M. Hartley Dodge,
William Brewster,

Harry J. Luce,
Henry C. Phipps,
Wm. A. Simonson,

Edward L. Rossiter.

Depository of the United States, State of New York, City of New York

Accounts on Banks, Bankers, Trust Companies, Corporations and Individuals Invited

EDWARD SWEET & CO.

BANKERS AND BROKERS

34 Pine Street - - NEW YORK

Established
1854

Members
New York Stock Exchange

ESTABLISHED 1860

SCHAFER BROTHERS

BANKERS AND BROKERS

National City Bank Building, 55 Wall Street, New York

Members New York Stock Exchange

J. S. FARLEE

H. L. FINCH

W. S. TARBELL

J. S. FARLEE & CO.

ESTABLISHED 1882

BONDS

MEMBERS OF NEW YORK STOCK EXCHANGE

11 Wall St.,
NEW YORK

Conn. Mutual Life Building,
HARTFORD, CONN.

Securities for Conservative Investment Always on Hand

CURTIS & SANGER

49 WALL STREET, NEW YORK

Members New York, Boston and Chicago Stock Exchanges

STOCKS

BONDS

COMMERCIAL PAPER

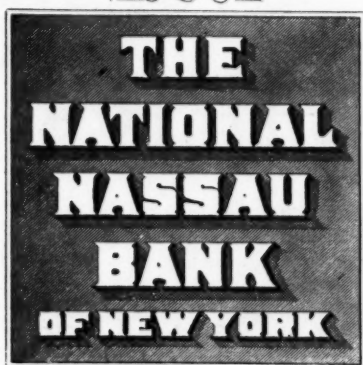
33 Congress Street
BOSTON

122 South La Salle Street
CHICAGO

Emerson McMillin & Co.

BANKERS

40 Wall Street :: :: New York City



Established 1852

Nationalized 1911

CHARTER MEMBER NEW YORK CLEARING HOUSE

OFFICERS

EDWARD EARL, President

J. CHRISTY BELL, Vice-President

H. P. STURR, Ass't Cashier

JOHN MUNRO, Vice-President

N. D. ALLING, Ass't Cashier

W. B. NOBLE, Cashier

R. M. BAILEY, Ass't Cashier

DIRECTORS

J. CHRISTY BELL SAMUEL R. WEED HENRY C. MILLER JOHN MUNRO
HARRY BRONNER RICHARD YOUNG EDWARD EARL

LINCOLN TRUST COMPANY

208 FIFTH AVENUE, NEW YORK

BROADWAY and LISPENARD STREET

Capital and Surplus, \$1,500,000

BROADWAY and 72D STREET

OFFICERS

ABRAM M. HYATT, Vice-President
HORACE F. POOR, Treasurer

ALEXANDER S. WEBB, President

OWEN WARD, Vice-President

BRECKENRIDGE CARROLL, Asst. Treas.

DIRECTORS

W. D. Baldwin
George C. Boldt
George C. Clark
William G. Conklin
Robert E. Dowling
Stuart Duncan
William Felsing

Erskine Hewitt
Samuel V. Hoffman
Abram M. Hyatt
Arthur Iselin
Bradish Johnson
Clarence H. Kelsey

W. De Lancey Kountze
George Leask
William G. McAdoo
John P. Munn, M.D.
Irving E. Raymond
William Salomon

B. Aymer Sands
Isaac N. Seligman
Louis Stern
Owen Ward
Alexander S. Webb
C. Morton Whitman
Wm. H. Wheelock

UNION EXCHANGE NATIONAL BANK of NEW YORK

Capital and Surplus
\$2,000,000.00

Deposits
\$11,000,000.00

Organized 1903.

Member of New York Clearing House.

A Strictly Up-to-date Commercial Bank

SITUATED IN THE NEW COMMERCIAL AND MANUFACTURING DISTRICT, FIFTH AVENUE AND TWENTY-FIRST STREET

Banks that can handle to advantage the items payable in their locality are invited to correspond with us

OFFICERS

HENRY S. HERRMAN, President.

DAVID NEVIUS, Vice-Prest. and Cashier.

LOUIS J. WEIL, Vice-Prest.

GEORGE B. CONNLEY, Asst. Cashier.

CHARTERED 1799

Bank of the Manhattan Company

40 WALL STREET
NEW YORK

Capital - - - \$2,050,000
Surplus and Undivided Profits, 4,520,000

Officers

STEPHEN BAKER, President
HENRY K. McHARG, PIERRE JAY,
Vice-Presidents

D. H. PIERSON, Cashier
JAMES McNEIL, Asst. Cashier
B. D. FORSTER, Asst. Cashier

Directors

JAMES TALCOTT	WILLIAM S. TOD
HENRY K. McHARG	JAMES SPEYER
STEPHEN BAKER	WILLIAM SLOANE
H. D. AUCHINCLOSS	SAMUEL SLOAN
FREDK. G. BOURNE	PIERRE JAY
R. W. PATERSON	B. H. BORDEN

HUDSON TRUST COMPANY

CAPITAL AND SURPLUS OVER
\$1,000,000

Broadway and Thirty-ninth Street
(METROPOLITAN OPERA HOUSE.)

Accounts solicited on the most liberal
terms consistent with conservative Banking

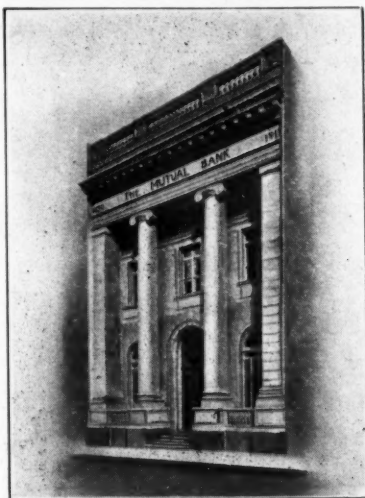
SAFE DEPOSIT VAULTS

ELVERTON R. CHAPMAN, PRESIDENT.
LOUIS H. HOLLOWAY, VICE PREST.
HENRY C. STRAHMANN, VICE PREST.
JOHN GERKEN, VICE PREST.
HENRY G. LEWIS, TREASURER.
RICHARD A. PURDY, SECRETARY.

COUNSEL

HOLM, WHITLOCK & SCARFF.

Depository for New York State and City Funds



THE MUTUAL BANK

Permanent Banking Home, 49-51 West 33rd Street
Now in Temporary Quarters, 43-45-47 West 32nd Street

CHARLES A. SACKETT,
President.
JOHN C. VAN CLEAF,
Vice-President.

HUGH N. KIRKLAND,
Vice-President & Cashier.
EUGENE GALVIN,
Asst. Cashier.

Capital and Surplus \$587,000 - Deposits \$4,500,000

DIRECTORS

Andrew J. Connick.	A. P. W. Kinnan.	Samuel McMillan.	James Thomson.
Thomas Dimond.	C. W. Luyster.	Stephen McPartland.	John C. Van Cleaf.
Otto M. Eidlitz.	E. A. McAlpin.	Charles A. Sackett.	Cornelius Vanderbilt.

SAFE DEPOSIT VAULTS

FIDELITY TRUST COMPANY

Chambers Street and West Broadway
NEW YORK

Notable Events of the Year

Increase in Capital and Surplus from \$1,500,000.00 to \$2,000,000.00.

Increase in Resources to over \$10,000,000.00.

Elected to membership in the NEW YORK CLEARING HOUSE ASSOCIATION, making checks on this company, in payment for drafts, etc., acceptable by all banks and trust companies.

Designated a Depository for the General Funds of the State of New York, in addition to those of the City of New York.



OFFICERS

President . . . SAMUEL S. CONOVER
Vice-President, WM. H. BARNARD
Vice-President, JOHN W. NIX
Secretary . . . ANDREW H. MARS
Asst. Sec'y . . . STEPHEN L. VIELE
Trust Officer, ARTHUR W. MELLEN

Acts as Agent in the transaction of any approved financial business.
Interest allowed on deposits at a rate in accord with sound business principles.
Your account is solicited and correspondence invited.

You are invited to make this your New York Bank

The MARKET and FULTON NATIONAL BANK OF NEW YORK

ORGANIZED 1852

**Progressive
Conservative
Successful**

Alexander Gilbert
President

Robert A. Parker
Vice-President

Thomas J. Stevens
Cashier

John H. Carr
Asst. Cashier

W. M. Rosendale
Asst. Cashier



**Capital
\$1,000,000
Surplus
and
Profits
\$1,800,000**

**Accounts
Received on
the
Most Liberal
Terms
consistent
with Sound
Banking**



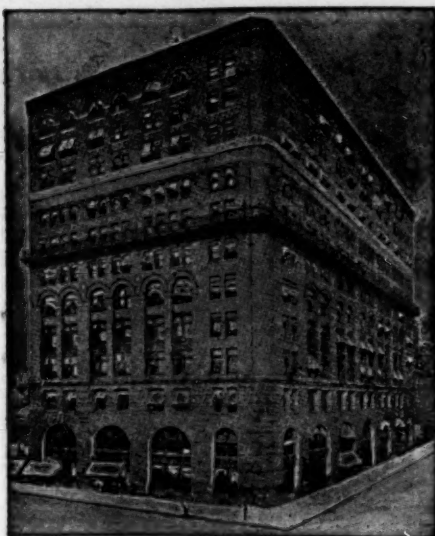
HARRIMAN NATIONAL BANK

Fifth Avenue and 44th Street
NEW YORK

Capital and Surplus, \$400,000
Deposits - - \$6,500,000

OFFICERS

JOSEPH W. HARRIMAN, President
BRYAN L. KENNELLY, Vice Pres. THOMAS B. CLARKE, Jr., Vice Pres.
FREDERICK PHILLIPS, Vice Pres. JOHN A. NOBLE, Cashier.



THE
COAL AND IRON NATIONAL BANK
OF THE CITY OF NEW YORK

Capital - - - - - \$1,000,000.00
Surplus and Profits (Earned) 450,000.00

JOHN T. SPROULL, President
DAVID TAYLOR, Vice-President ALLISON DODD, Vice-President
ADDISON H. DAY, Cashier H. J. DORGELOH, Assistant Cashier

Member New York Clearing House Association

**THE STANDARD
TRUST COMPANY**
OF NEW YORK
25 BROAD ST., NEW YORK, N. Y.

Allows Interest on Deposits Subject to Check
Issues Interest Bearing Certificates of Deposit

Custody and Supervision of Securities

The Trust Department of this Company receives stocks, bonds and other securities of individuals and corporations, holding them for safe keeping, collecting dividends and coupons, making transfers, attending to deposits under reorganization plans and agreements and to all other matters which may arise in connection with such securities.

OFFICERS

William C. Lane, President
Frank K. Sturgis, William C. Cox, Vice-Presidents
Charles M. Billings, Secretary
Edward M. F. Miller, Treasurer
E. Brainerd Bulkley, Zelah Van Loan, Assistant Secretaries



ESTABLISHED 1829
MERCHANTS EXCHANGE NATIONAL BANK
Of the City of New York
257 BROADWAY

PHINEAS C. LOUNSBURY, President KIMBALL C. ATWOOD, Vice-President
GILBERT H. JOHNSON, Vice-President. EDWARD V. GAMBIER, Cashier
EDWARD K. CHERRILL, Assistant Cashier E. TILDEN MATTOX, Assistant Cashier

ACCOUNTS OF BANKS, BANKERS, MERCHANTS AND MANUFACTURERS SOLICITED

MARINE NATIONAL BANK OF BUFFALO

The Oldest Bank of Discount in Buffalo and the
Largest in the State, Outside of New York City.

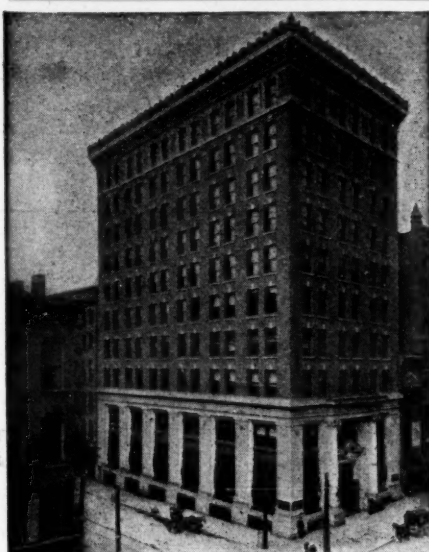


Capital {	Paid in	\$500,000.00	
	Earned	1,500,000.00	\$2,000,000.00
Surplus and Profits (Earned)			1,500,000.00
Total Assets (Over) - - -			34,000,000.00

OFFICERS

STEPHEN M. CLEMENT, President.
JOHN J. ALBRIGHT, Vice-President.
JOHN H. LASCELLES, Vice-President.

CLIFFORD HUBBELL, Cashier.
HENRY J. AUER, Assistant Cashier.
NORMAN P. CLEMENT, Assistant Cashier.



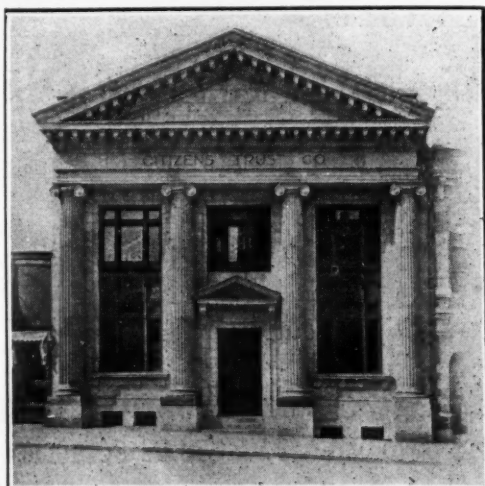
THE FIDELITY TRUST CO. of BUFFALO, N. Y.

Over 80% of Assets consists of Cash; State, Municipal and other bonds and
Loans payable on demand secured by collateral.

RESOURCES OVER \$10,000,000

ROBERT L. FRYER, President.
FRANKLIN D. LOCKE, Vice-Pres. MYRON S. HALL, Asst. Secy.
FRANK W. ALDERMAN, Secretary. WALTER L. CURTISS, Asst. Secy.

Accounts of SAVINGS BANKS and RESERVE or QUIET ACCOUNTS
of Banks or Bankers are especially solicited and will receive
most Liberal Rates consistent with Sound Banking



Citizens Trust Company UTICA, N. Y.

Capital, \$300,000 Deposits, 1908, \$1,700,000
Surplus, 200,000 Deposits, 1911, 4,000,000

WM. I. TABER, President
W. T. DUNMORE, 1st Vice-Pres. F. H. DOOLITTLE, Secy.
WM. P. WHITE, 2d Vice-Pres. P. N. HAMLIN, Asst. Secy.

Transacts a General Banking and Trust Business
GIVES PROMPT ATTENTION TO COLLECTIONS



BANK CHARTERED AND BUILDING ERECTED.
1803.

New York State National Bank

ALBANY

Capital, \$500,000 - - Surplus, \$500,000
Deposits, \$18,000,000

LEDYARD COGSWELL, President

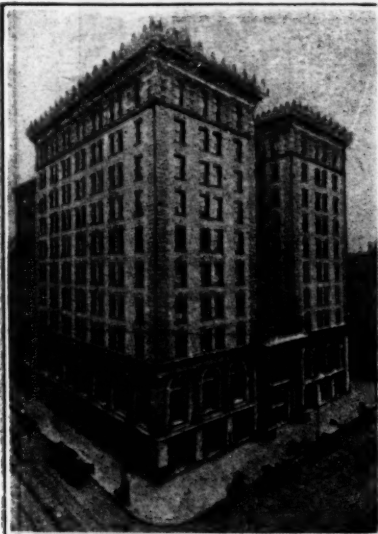
HENRY M. SAGE, Vice-President

LEDYARD COGSWELL, JR., 2nd Vice-President

LAURENCE H. HENDRICKS, Cashier

GEORGE A. WHITE, Ass't Cashier

Direct Service in New York
and New England States



COMMERCIAL NATIONAL BANK

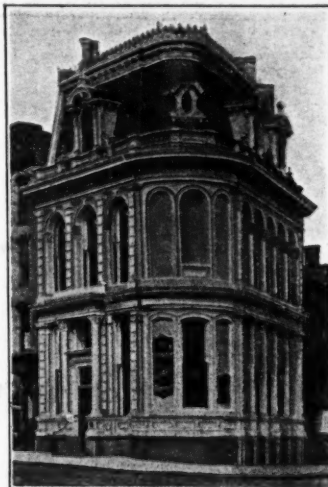
SYRACUSE, N. Y.

Capital, \$500,000
Surplus and Undivided Profits, \$336,896

HENDRICK S. HOLDEN, PRESIDENT
GEORGE M. BARNES, VICE-PRES. ANTHONY LAMB, CASHIER

Reserve Depository for State Banks
and Trust Companies

SPECIAL COLLECTION FACILITIES



JAMES S. SHERMAN
President

J. FRANCIS DAY
Vice-President & Secretary

UTICA TRUST & DEPOSIT CO.

OF UTICA, N. Y.

The Leading Trust Company in Central New York State

Resources - - - \$8,000,000.00
Deposits, - - - \$7,000,000.00

INCORPORATED 1883

The Long Island Loan and Trust Company

"Temple Bar," Brooklyn, New York

Capital, Surplus and Profits, \$3,000,000

OFFICERS

CLINTON L. ROSSITER...1st Vice-President
DAVID G. LEGGET.....2d Vice-President

FREDERICK T. ALDRIDGE.....Secretary
WILLARD P. SCHENCK....Asst. Secretary



ESTABLISHED 1888

Franklin Trust Company

Borough of Brooklyn, City of New York

Member of the New York Clearing House Association.

Main Office:
166 Montague Street
Fulton Street Office:
569 Fulton Street
Williamsburgh Office:
908 Broadway

Designated Depositary for
United States Government
(Postal Savings System)
State of New York
City of New York
Kings County
(Court and Trust Funds)

This Company manages estates as Executor or Administrator, and acts as Trustee, Guardian, Committee or Agent. Acts as Trustee of corporate mortgages, registers bonds and stocks, pays coupons, and transacts any other approved business of a fiduciary character.

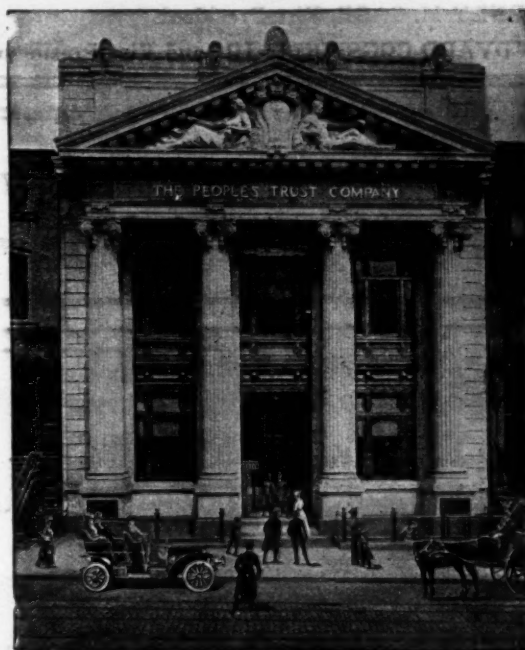
Deposits received subject to check, payable in funds current at the New York Clearing House. Interest allowed on balances of \$1,000 or more from date of deposit to date of withdrawal. Certificates of deposit issued payable on demand or at a fixed date. Accounts and trust business invited.

THE PEOPLES TRUST COMPANY

Brooklyn, New York City

Capital and Surplus \$2,700,000

Member of the New York Clearing House



CHARLES A. BOODY.....PRESIDENT
J. G. DETTMER.....1st VICE-PRESIDENT
HORACE J. MORSE.....2nd VICE-PRESIDENT
CHARLES L. SCHENCK.....3rd VICE-PRES. & SEC'Y
HENRY M. HEATH.....ASST. SECRETARY
WILLIAM A. FISCHER.....ASST. SECRETARY
J. FRANK BIRDSELL.....ASST. SECRETARY
CLARENCE I. MCGOWAN.....ASST. SECRETARY

Invites Accounts of Out of Town Institutions Upon Favorable Terms

A. H. BICKMORE & CO. BANKERS

BONDS OF PUBLIC SERVICE CORPORATIONS
CAREFULLY SELECTED FOR CONSERVATIVE
INVESTMENT TO NET 5½% TO 5¾%

30 PINE STREET

NEW YORK

ORGANIZED 1859

The Nassau National Bank of Brooklyn

CAPITAL \$1,000,000.00 UNDIVIDED PROFITS \$63,176.00
SURPLUS (Earned) 1,000,000.00 DEPOSITS 8,107,178.00
TOTAL RESOURCES \$10,636,604.00

DESIGNATED DEPOSITORY OF THE UNITED STATES GOVERNMENT, STATE
AND CITY OF NEW YORK

OFFICERS

EDGAR McDONALD, G. FOSTER SMITH,
President Cashier
ROBT. B. WOODWARD, H. P. SCHOENBERNER,
Vice-President Ass't Cashier
DANIEL V. B. HEGEMAN, ANDREW J. RYDER,
Vice-President Ass't Cashier

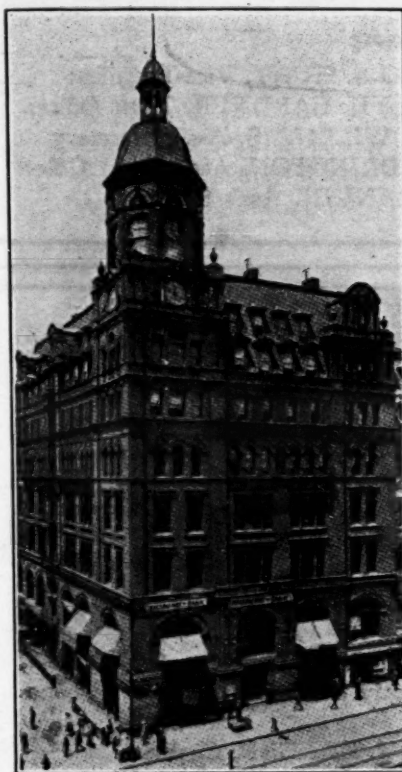
DIRECTORS

THOMAS T. BARR, ALEXANDER M. WHITE,
Chairman of the Board, White, Weld & Company.
Director Home Life Insurance Co. of
New York. CHARLES A. SCHIEREN,
Charles A. Schieren Company.
ROBT. B. WOODWARD, EDGAR McDONALD,
Special Partner, Hathaway, Smith, President.
Folds & Co. WALTER V. CRANFORD,
FRANK BAILEY, President Cranford Company.
Vice-President, Title Guarantee & GEORGE S. INGRAHAM,
Trust Company. Lawyer.
CROWELL HADDEN, HOWARD W. MAXWELL,
Vice-President, Brooklyn Savings Vice-President Atlas Portland Cement
Bank. Company.
CARLL H. DE SILVER, EDWIN P. MAYNARD,
Retired. Comptroller, Brooklyn Savings Bank.
FRANK LYMAN, DANIEL V. B. HEGEMAN,
Trustee, United States Trust Co. Vice-President.

The business of financial institutions, corporations, partner-
ships, individuals and trustees is solicited.

The strength and stability of the Bank enables it to offer its
customers every facility consistent with sound and conservative
banking.

Member of the New York Clearing House



Manhattan Trust Company

Wall Street corner Nassau

Member N. Y. Clearing House

DIRECTORS

Horace E. Andrews John J. Mitchell
George F. Baker E. D. Randolph
Walter P. Bliss Grant B. Schley
H. W. Cannon S. L. Schoonmaker
R. J. Cross Charles H. Stout
Wm. North Duane George G. Thomson
Rudolph Ellis W. V. S. Thorne
James J. Hill John I. Waterbury
John Kean J. Walter Wood

Temporary Offices

113 BROADWAY

RHODE ISLAND HOSPITAL TRUST CO.

PROVIDENCE, R. I.

The Oldest Trust Company in New England

CAPITAL, \$2,500,000 SURPLUS, \$2,500,000

HERBERT J. WELLS, President

EDWARD S. CLARK, Vice-President
WILLIAM A. GAMWELL, Secretary
CYRUS E. LAPHAM, Ass't Secretary
HENRY L. SLADER, Ass't Secretary
HENRY B. HAGAN, Ass't Secretary

HORATIO A. HUNT, Vice-President
PRESTON H. GARDNER, Trust Officer
JOHN E. WILLIAMS, Ass't Secretary
G. A. HARRINGTON, Ass't Trust Officer
HUGH RANKIN, Ass't Secretary

ESTABLISHED 1818

THE

U. S. DEPOSITARY

Merchants National Bank

OF PROVIDENCE, R. I.

Capital, \$1,000,000 Surplus Earnings, \$800,000

The largest RESOURCES of any National Bank in New England outside of Boston—COLLECTIONS on points in this State made direct and remitted for promptly at low rates.

ROBERT W. TAFT, President
HORATIO N. CAMPBELL, Vice-President

MOSES J. BARBER, Cashier
FRANK A. GREENE, Asst. Cashier

ALBERT P. MILLER, Jr.

**Industrial Trust Company Building
PROVIDENCE, R. I.**

**Local Securities
Gas, Electric Lighting and Railway
Bonds and Stocks**



Our Future Home.

One Hundred and Nineteen Years Old

HARTFORD NATIONAL BANK

HARTFORD, CONN.

Capital \$1,200,000
Surplus and Profits 1,100,000

HAROLD W. STEVENS, President.
FRANK P. FURLONG, Cashier. W. S. ANDREWS, Assistant Cashier.

**THE STRONGEST NATIONAL BANK IN NEW ENGLAND
OUTSIDE OF BOSTON**

William P. Bonbright & Co.

BANKERS

**24 Broad Street
New York**

**16 George Street
Mansion House
London, E. C.**

**Colorado Springs
Colorado**

**Selected Public Utility Securities
Bonds and Preferred Stocks**

Details Upon Application

First National Bank

ALBANY, N. Y.

**CAPITAL and SURPLUS
\$875,000.00**

**DEPOSITORY OF THE UNITED STATES
AND STATE OF NEW YORK**

OFFICERS:

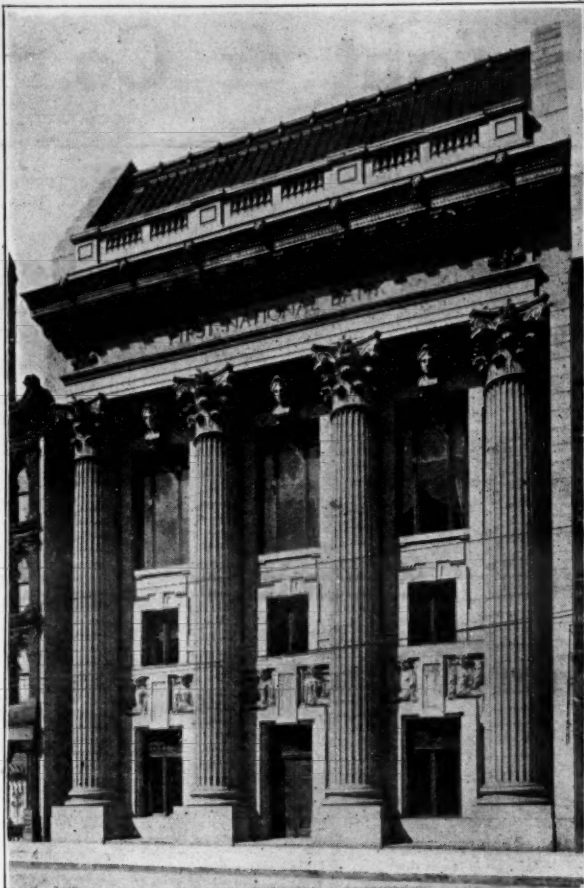
**FREDERICK A. MEAD, Pres. JOHN J. GALLOGLY, Vice-Pres.
HORACE G. YOUNG, Vice-Pres. HUGH A. ARNOLD, Cashier.**

**KEEP PART OF YOUR RESERVE
WITH US**

CORRESPONDENCE INVITED.



FIRST NATIONAL BANK



ORGANIZED 1863

CLEVELAND

CHARTER NO. 7

Capital, \$2,500,000
 Surplus, 1,500,000
 Deposits, 30,000,000

JOHN SHERWIN, President
 THOS. H. WILSON, Vice-Pres.
 A. B. MARSHALL, Vice-Pres.
 FRED. J. WOODWORTH, Vice-Pres.
 C. E. FARNSWORTH, Cashier

Invites the accounts of
 Banks, Bankers, Firms and
 Corporations.

T. W. STEPHENS & CO.

BANKERS

2 WALL STREET, NEW YORK

Stocks and Bonds for Investment

INTEREST ALLOWED ON ACCOUNTS OF CORPORATIONS, FIRMS AND INDIVIDUALS,
 SUBJECT TO CHECK AT SIGHT

OTIS & HOUGH

CLEVELAND

Members New York Stock Exchange

DEALERS IN

GOVERNMENT RAILROAD **BONDS** MUNICIPAL CORPORATION

LISTS FURNISHED ON APPLICATION

BRANCH OFFICES: Columbus, O. Denver, Colo. Colorado Springs, Colo.

N. W. HALSEY & CO.

49 Wall St., New York

Philadelphia

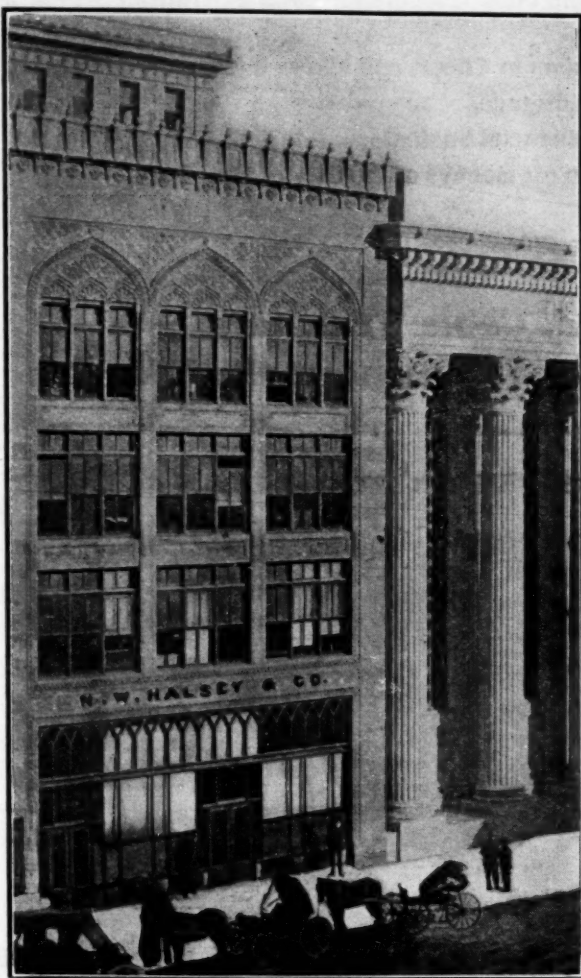
Chicago

London Agency

7 Crosby Sq., E. C.

San Francisco

Los Angeles



HALSEY BUILDING, SAN FRANCISCO

THE upbuilding of this business over a period of years has been due primarily to the policy of confining our offerings and recommendations to investment securities which have received the approval of our experts after thorough examination.

Sound Investment Bonds

Bought --- Sold --- Appraised

Our Organization Covers All Markets For American Bonds

Inquiry Invited. Address Nearest Office

CHARTERED 1822

The Farmers' Loan & Trust Co.

NOS. 16, 18, 20 and 22 WILLIAM STREET

BRANCH OFFICE, 475 FIFTH AVENUE

NEW YORK

LONDON

15 Cockspur St., S. W.
26 Old Broad Street, E. C.

PARIS

41 Boulevard Haussmann

The Company is a legal depositary for moneys paid into Court, and is authorized to act as Executor, Administrator, Trustee, Guardian, Receiver and in all other fiduciary capacities.

Acts as Trustee under Mortgages made by Railroad and other Corporations and as Transfer Agent and Registrar of Stocks and Bonds.

Receives deposits upon Certificates of Deposit, or subject to Check, and allows interest on daily balances.

Manages Real Estate and lends money on bond and mortgage.

Will act as Agent in the transaction of any approved financial business.

Depositary for Legal Reserves of State Banks and also for moneys of the City of New York.

Fiscal Agent for States, Counties and Cities.

Foreign Exchange, Cable Transfers. Letters of Credit Payable Throughout the World.

STATEMENT OF SEPTEMBER 29TH, 1911.

RESOURCES.

Bonds and Stocks, at market value.....	\$33,814,882.27
Real Estate	3,269,185.08
Bonds and Mortgages	4,124,868.40
Loans	67,225,740.22
Cash on hand and in Bank.....	35,831,869.55
Accrued Interest	1,059,402.69
	<u>\$145,325,948.21</u>

LIABILITIES.

Capital Stock	\$1,000,000.00
Undivided Profits	6,051,927.87
Deposits	137,022,528.19
Accrued Interest, Reserved for Taxes, Unpaid Dividends	1,251,492.15
	<u>\$145,325,948.21</u>

BOARD OF DIRECTORS

HENRY A. C. TAYLOR,
CHARLES A. PEABODY,
WM. WALDORF ASTOR,
OGDEN MILLS,
FRANKLIN D. LOCKE,
J. WILLIAM CLARK,
GEORGE F. BAKER,
A. G. AGNEW,
SAMUEL SLOAN,

CLEVELAND H. DODGE,
HUGH D. AUCHINCLOSS,
D. H. KING, Jr.,
PERCY A. ROCKEFELLER,
EDWARD R. BACON,
AUGUSTUS V. HEELY,
JOHN J. RIKER,
JOHN W. STERLING,

MOSES TAYLOR PYNE,
STEPHEN S. PALMER,
ROBERT C. BOYD,
HENRY HENTZ,
H. V. R. KENNEDY,
FRANK A. VANDERLIP,
JAMES A. STILLMAN,
ARCHIBALD D. RUSSELL,
EDWIN S. MARSTON.

OFFICERS

EDWIN S. MARSTON, President.
SAMUEL SLOAN, Vice-President.
AUGUSTUS V. HEELY, Vice-Pres. and Sec'y.
WILLIAM B. CARDOZO, Vice-President.

CORNELIUS R. AGNEW, Vice-President.
HORACE F. HOWLAND, Asst. Secretary.
ROBERT E. BOYD, Asst. Secretary.
WILLIAM A. DUNCAN, Asst. Secretary.

BANKERS' CONVENTION SECTION

OF THE

COMMERCIAL & FINANCIAL CHRONICLE.

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Vol. 93.

NEW YORK, DECEMBER 2, 1911.

No. 2,423

THE CHRONICLE.

THE COMMERCIAL AND FINANCIAL CHRONICLE is a weekly newspaper of 80 to 96 pages, published in time for the earliest mail every Saturday morning, with the latest news by telegraph and cable from its own correspondents relating to the various matters within the scope.

THE CHRONICLE comprises a number of added Sections or Supplements, issued periodically, and which form exceedingly valuable adjuncts of the weekly issues.

THE RAILWAY AND INDUSTRIAL SECTION, issued three times a year, is furnished *without extra charge* to every annual subscriber of the CHRONICLE.

THE RAILWAY EARNING SECTION, issued monthly, containing the sworn returns of earnings and expenses, filed each month with the Inter-State Commerce Commission, is also furnished *without extra charge* to every annual subscriber.

THE STATE AND CITY SECTION, issued semi-annually, is also furnished *without extra charge* to every subscriber of the CHRONICLE.

THE BANK AND QUOTATION SECTION, issued monthly, is likewise furnished *without extra charge* to every subscriber of the CHRONICLE.

THE ELECTRIC RAILWAY SECTION, issued three times a year, is also furnished *without extra charge* to every annual subscriber of the COMMERCIAL AND FINANCIAL CHRONICLE.

Besides these Supplements, others are published from time to time, like the present BANKERS' CONVENTION SECTION.

Terms for the CHRONICLE, including *all* the Supplements, are Ten Dollars within the United States, Thirteen Dollars (which includes postage) in Europe, and Eleven and a Half Dollars in Canada.

WILLIAM B. DANA COMPANY, Publishers
Front, Pine and Depeyster Streets, New York

INDEX TO ADVERTISEMENTS

A complete index to the advertisements appearing in the present issue of the Bankers' Convention Section will be found on pages 115 and 116.

THE CONVENTION AND THE ALDRICH BANKING PLAN.

The unanimous endorsement of the Aldrich banking and currency plan by the National Bankers' Convention brings the movement to reform our banking system very definitely before the country. This vote is to be followed, we understand, by an aggressive "campaign of education," through arrangements of public discussions and through circulation of pamphlets, under the auspices of the National Citizens' League for the Promotion of a Sound Banking system—already organized and equipped, with its headquarters at Chicago. It was time for such a movement, when the whole subject is to be turned over to Congress by the Monetary

Commission within six weeks; and the vote of the Bankers' Convention was a fitting introduction for the movement.

The discussions, before the delegates at New Orleans, of the various aspects of the Aldrich proposals, were themselves of the highest value, and we particularly commend these speeches to the attention of every one desirous of familiarizing himself with the principles involved. Mr. Aldrich himself opened the debate by a clear and cogent summing-up of the considerations which make such reform of our banking system necessary, and the reasons why a plan on the lines proposed will properly serve the purpose. What, he asks, are the defects of our present system which require reform? They are three in number, as he sees them:

"(1) Our inability to enforce that effective co-operation of banks which is necessary to protect the public interests, as well as their own, in times of stress or crisis;

"(2) The limitations and restrictions imposed by antiquated or obsolete laws with reference to the treatment of reserves, and

"(3) A defective, inelastic, and unscientific system of note-issue."

Next, what does his plan undertake to do, by way of remedying those defects? With the Senator's statement of the case slightly condensed, its purpose, as he sees it, is:

"(1) To insure the maintenance of adequate reserves by the association and its members, with such provisions for discounts and note-issues as shall enable the organization to respond promptly at all times to normal or unusual demands for credit or currency without danger of undue expansion or inflation.

"(2) To provide for concentration of the cash reserves of all the banks to be used for the assistance and support of any.

"(3) To authorize the association to re-discount, through its district branches under local control, commercial paper of a definite character for individual banks to be used in replenishing their reserves.

"(4) To give to individual banks the facilities for an increase of their reserves and loaning power which will enable them to adopt the policy which has been universally effective in other countries of allaying excitement, creating confidence, and preventing panics.

"(5) To grant the power for further note issues to this co-operative association of all the banks, authority which is

now vested in national banks scattered throughout the country.

"(6) To give authority to the reserve association to fix rates for rediscounts, which must be uniform throughout the country.

"(7) To give to the reserve association power to protect its own reserves, and thus enable it at all times to perform its most important function, that of sustaining the credit of communities and the country."

And Mr. Aldrich adds to this summary of ends which should be achieved, that his plan is designed "to maintain the integrity and independence of existing banks, State and national," that "its organization is of a form and character that will effectually prevent the control of its operations by political influences, local or national," and that "every means has been taken, every safeguard adopted, to prevent beyond question the possibility of its control by any corporation or combination of corporations, banks, or otherwise, by any individual or combination of individuals in Wall Street or elsewhere, for selfish or sinister purposes."

President Schurman, of Cornell University, stated thus the attitude of thoughtful men outside the banking community on the question:

"The Aldrich scheme is now before the country. No one who is acquainted with our present banking and currency system and with the proposed plan can hesitate to pronounce it a great constructive measure. It is quite possible that it may be modified; it is quite possible that it may be improved in details. . . . But one fact must be recognized. Reform is absolutely essential. . . . The present banking law of the United States is a survival of an industrial, economic and financial condition which has passed away. We must follow other great nations in providing an institution for the centralization and co-ordination of our banking power."

Mr. Anderson, of the Bank of California, pointed out that the financing of our great and growing foreign trade can no longer be safely and economically conducted by the money market unless that market is to have the privilege of going to the National Reserve Association in case of need, and the Association cannot perform its functions intelligently or safely unless it can make its rate of discount effective; in other words, unless it is given the power to protect itself by influencing the rates of interest throughout the country." Speaking for the farmer, Mr. Brown, of the Citizens' National Bank of Raleigh declared the great benefit accruing from such a plan as Mr. Aldrich's to be the fact that "adequacy of the supply and facility for borrowing equalizes rates and gives to the sparsely settled and undeveloped regions the same favorable terms that have obtained in the rich and populous sections where desirable collaterals are available. Texas and Wall Street must pay the same rates. It hardly requires the vision of a seer to perceive what this may mean to those sections remote from the centers where interest rates have been almost confiscatory."

Mr. Warburg summed the matter up by saying that "without creating a central bank—for all the far-reaching banking powers have been eliminated

which are characteristic of European central banks—and without fundamentally disturbing existing banking methods, merely by a simple device of federating the now scattered reserves into one general reservoir to be jointly administered for the protection of all, our system will be changed from a provincial old-fashioned, wasteful and dangerous one into a national, modern, economic and safe structure."

In short the Convention—very wisely, as we think—confined itself in the main to consideration of the large scope of the plan of banking reform, and left the minor details such as invite legitimate difference of opinion to be settled in the future course of the debate. To such later consideration we shall ourselves leave such matters as the question of using the central institution's notes for reserve money in the individual banks—a question on which the CHRONICLE does not agree with Mr. Warburg's speech or with Mr. Aldrich's plan as amended in October.

There will necessarily arise many points of controversy such as this, and they will be settled in due time. But the vote of the National Bankers' Convention may safely be taken as marking the real beginning of public debate regarding banking reform in general and the Aldrich plan in particular. We have hitherto pointed out many times that Mr. Aldrich's proposals were in no respect final, and their endorsement by the Bankers' Convention does not make them any more so than they were before. Indeed, we imagine that the absence of aggressive debate on the details of the plan, notwithstanding the fact that considerable disagreement on those details was known to exist among the bankers, reflected the feeling of the delegates that the place for such discussion of details was in Congressional committees or in public hearings by Congress.

That Mr. Aldrich's plan will in substance be submitted to Congress by the Monetary Commission in its report of January 8, and that it will form the basis of the bill which the Congressional committees will draft, may safely be assumed. But, on the other hand, it cannot be taken for granted that even the Monetary Commission will report the plan exactly as it stands in Senator Aldrich's drafts. It has not yet been acted upon by the Monetary Commission as a whole, and there is known to be some difference of opinion even in that Commission regarding the minor provisions of the plan. Similar differences on such points of opinion will almost certainly arise in the discussions of the Congressional committees and in the debates on the floor of Congress.

All this, however, is as it should be. The very great service which ex-Senator Aldrich has rendered in the matter has consisted in bringing the discussion to a head, in such a way as to remove what seemed to be irreconcilable prejudices in the community at large, while still holding fast to the one achievement which was primarily essential—the creating of an institution which should give to our banking system the elasticity, the concentrated

power and the ability to relieve financial crises which have been shown to exist in the great state banks of Europe. Sentiment has been practically unanimous, especially since the not at all creditable incidents in the banking field during the panic period of 1907, that our existing system does not sufficiently safeguard the rapidly-expanding commerce and industry of the country. Even before that impressive object-lesson, all thinking men had been convinced that the system of note issues by individual banks, on the basis of government bonds whose supply was liable to increase or decrease in entire disregard of the movement of general trade, was essentially a dying system, and wholly unadapted to the trade and commerce of the United States of today.

The difficulty confronting people who urged reform, and the difficulty which often seemed insuperable, lay in the fact that opinion as to a practicable remedy varied so widely. No plan that was suggested had been able to surmount the vigorous and sincere opposition which developed in banking and economic circles, and the plans proposed were themselves so vague, in dealing with the minor but still absolutely essential details, that discussion of the subject turned out to be futile. For the first time since the present National Bank law was enacted, Congress will now approach the subject with a distinct and scientific outline of a plan before it, such as will make profitable discussion possible, and will enable the legislators to clear up their own ideas and reach a final conclusion.

THE BRIGHT PROSPECT OF NEW ORLEANS.

By SOL. WEXLER, Vice-President Whitney Central National Bank.

Mighty forces are at work in Louisiana, and the State is making history of the big sort. Reclamation of 9,000,000 acres of the richest alluvial land on earth is under way. Natural gas and petroleum from the most extensive deposits on the continent recently discovered are now drawing manufacturers. The State's enormously important system of natural navigable waterways is being augmented by the digging of hundreds of miles of navigable drainage canals, all leading to the world harbor at New Orleans. Development of the cut-over forests of the State is rapidly adding population and valuable agricultural commerce to the State's total.

New Orleans, in preparing for the opening of the Panama Canal, is investing tens of millions of dollars in sewerage, pure water, paved streets, publicly owned wharves and belt railroad facilities, while the federal government has invested about \$20,000,000 in obtaining a 35-foot channel to the sea from the harbor of New Orleans for the use of the commerce of the Mississippi Valley.

By Constitutional amendment, the people of Louisiana have exempted real estate mortgage loans from all forms of taxation and have authorized the creation of drainage districts and the issue and sale

of district drainage bonds as an economical and safe means of raising the funds necessary to relieve the hugely fertile lowlands around New Orleans of excessive rainfall and in that way make them available to the plow.

Because of the fertility of the soil, and because of the tropical character of the climate, the cultivated lands of Louisiana have kept the people of the State in a prosperous condition during nearly 200 years. But the greater portion of the lands of the State, because of dense and valuable forests on the one hand, and undrained low lands on the other, has only just begun to come within reach of the farmer. Consequently, Louisiana, with 20,000,000 acres of virgin land now being made available for agricultural purposes, contains within its borders the potential assets most needed by the nation, and with its facilities for producing an abundance of food at low cost, it is logical to expect that during the next ten years the population, the wealth and the industries of this State will increase twice as fast as the average for the country as a whole, which must cover the densely settled States, where agricultural expansion cannot be great, the less fertile states, where intensive farming entails great labor and cost, and the colder states, where continuous cultivation is impossible.

Under the circumstances, an estimate of population increase for the State as a whole of 100,000 a year is very conservative, yet such an increase will mean enormously accentuated activity in all lines of endeavor, in which banking and business will share to a marked extent.

It is estimated, in round figures, that as much as \$200,000,000 will be required to drain the 9,000,000 acres of low lands which the silt deposits of the Mississippi River built up from the sea, and in the center of which stands New Orleans. This land is all soil, with a nitrogen-bearing covering of humus. It is richer in plant food than is the best artificially fertilized land, more nearly inexhaustible than are the fens of England or the Valley of the Nile, and, when drained, will enjoy better waterway transportation than does Holland, since a navigable non-freezing canal will connect every drained unit with the port and transportation center of New Orleans.

The floating of the bond issues provided for under this great scheme of development will be carried on in such a way as to attract small as well as large investors, which in itself is a most excellent method of creating forceful interest in the progressive welfare of the State. There is not one of all these 9,000,000 acres that is incapable of producing agricultural products per year in excess of \$100 under poor methods of cultivation. Modern methods of cultivation only are being applied on these lands as drainage opens them up. Hence, the prospective value of the agricultural commerce to come from these 9,000,000 acres is almost beyond the pale of computation. And New Orleans will control this new commerce, as it must, from its environment, control the import and export commerce of the Mississippi Valley.

Nature in its inscrutable wisdom seems to have formed, all over the world, places ideally and per-

fectly adapted for the selection of great cities. No more striking example of this can be found than the City of New Orleans, located at the mouth of the great Mississippi River, the Father of waters, the outlet to the sea of every river and creek between the Allegheny and Rocky Mountains, the funnel through which the great foreign commerce of the country must eventually pass.

Between these two ranges of mountains is produced the Cotton, Corn, Wheat, Cattle and subsidiary crops that form the basis of our national wealth, and between them also is the great labor employing industries of the country.

The natural trend of commerce is in the direction of least resistance, and the water-grade railroads to the Gulf, aided by the Mississippi River and its tributaries, make New Orleans the natural out-port for our cotton, our cereals and our manufactured products.

Prior to the Civil War, the port of New Orleans handled as great a percentage of the commerce of the Union as did New York City. This disastrous war destroyed its railroads and steamboats, ruined its farms, discouraged its population and destroyed its commerce, while the ports of the Eastern States, remaining free of embargo, availed themselves of the disturbed conditions in the South and readily diverted the business which it has taken years to recover.

Before the cause of yellow fever was definitely known and its prevention successfully undertaken by the United States Marine Hospital Service, the proximity of New Orleans to Cuba and other fever infected countries made it so liable to infection that from 1878 to 1900 its population was practically at a standstill.

A further cause of the retardment of its prosperity was the constant recurring inundation of the Mississippi River, which stream, receiving its waters from thirty-eight states in the Spring of the year, spread destruction over the fertile fields of corn, cotton and sugar and discouraged immigration. From 1876 to 1900 the residents of the Mississippi Valley taxed themselves to the equivalent of 10 per cent. of the value of their land to build levees to prevent their overflow, until finally an appropriation was made by Congress for that purpose. Since 1893 no destruction has occurred from this source and the effect upon land values has been an enhancement of many millions of dollars.

With all the injurious elements of war, epidemics and overflow removed, and with a new generation of energetic young men willing to grasp the opportunity, New Orleans has again taken its place as a center of commerce, industry and finance, and railroads are all seeking an outlet to the Gulf, all anxious to secure the water grade route free from ice and snow throughout the year.

Complete recovery from the business drains enumerated did not come until the causes thereof were removed. The last of these was disease importation, against which the federal government

provided a cure in 1906 by cleaning up Havana and other ports to the Southward, and by establishing an effective system of inspection at the mouth of the river. Meanwhile, the City of New Orleans co-operated by destroying the breeding places of the particular species of mosquito which alone transmits yellow fever.

Close on the heels of the elimination of this last existing handicap on trade and business expansion, New Orleans began sewerage and paving the city, supplying an abundance of pure water at very low cost to the consumer, and in other ways preparing for present and prospective needs.

The State of Louisiana, which had assumed control of the harbor front at New Orleans, began the installation of modern wharves and steel warehouses, alongside which the largest ships land.

The City built and equipped a belt railroad, which it now operates in the interest alike of producer and consumer, shipper and receiver, to the end that no man who may desire to carry on trade with or through New Orleans need fear discrimination.

To the student who knows that Louisiana's richest resources are only now becoming available for man's use, New Orleans' activity in preparing for the increased commerce that is bound to come reflects a spirit and a purpose that cannot fail.

THE GROWTH OF NEW ORLEANS IN COMMERCE AND MANUFACTURES.

Its location at the gateway of the mighty Mississippi gave to New Orleans years ago distinct and decided prominence in the affairs of the United States and in the intercourse of the country with the outside world, making it the commercial metropolis of the Gulf region and the natural outlet for the products of a large area of territory, as well as the normal point of ingress for a large volume of foreign merchandise. That prominence it still retains, the aggregate value of the foreign trade of the port (imports and exports combined) being second only to that of New York among the ports of the country. The city's commercial and financial importance is therefore beyond question and it is a fitting tribute thereto that in due course it should have been honored for the third time with the annual meeting of the American Bankers' Association.

In one direction only can there be said to have been any retrograde movement in the affairs of the city, and the loss incurred has been more than made up by expansion in other directions and its total foreign trade continues to expand. The time was when New Orleans was the outlet for much the greater part of all the cotton produced in the States of Arkansas, Tennessee, Mississippi, Alabama, Louisiana and Texas, its receipts and exports of the staple approximating as much as 1½ million bales annually as far back as 1880, with the total crop of the country less than six million bales. But it was inevitable that with the phenomenal extension of cotton cultivation in Texas and the terri-

tory immediately to the north, and the great increase of railroad and other facilities at Galveston, that that city should get a share of the cotton business. New ports opened in Texas have also served to draw cotton away from the older point, and the decline of production in Louisiana has also been an adverse factor. Still these developments have not served to weaken New Orleans as a leading market for cotton, a position which it shares with Liverpool and New York.

We have intimated that the decreased cotton movement through the port has been more than offset by expansion in other directions so that New Orleans continues second in rank in the aggregate volume of its foreign trade. This becomes clear by reference to the official results for the latest completed fiscal year (that ended June 30, 1911), which shows a total of imports and exports through New Orleans to the value of \$239,557,588 (or 51 millions in excess of Boston) compared with 196 millions in 1909-10, and 133 millions for the twelve months ended June 30, 1900. The outward flow of merchandise for 1910-11 covered a value of \$172,835,293, or greater than ever before, and contrasting with 140½ millions in 1909-10 and 116 millions in 1899-1900. Imports showed an even greater relative increase, standing at \$66,722,295 for the latest twelve months' period against 55¾ millions the previous year and 17½ millions in 1899-1900.

While it is hardly necessary to state that cotton continues the largest item in the export movement from New Orleans, a number of other articles make up a goodly share of it. Wood and manufactures, for instance, are shipped quite freely, and breadstuffs, tobacco, oilcake and vegetables are prominent in the yearly aggregates. As indicating the trend of the merchandise shipments from New Orleans it is perhaps interesting to note that about one-third finds lodgment in Great Britain, with France, Germany and Italy following in order. The inward movement of goods, on the contrary, is most largely from contiguous foreign territory—Brazil, Mexico and the West Indies. From the first named the inflow is largely coffee, from Mexico mainly sisal grass, and from the West Indies fruits and sugar, with jute manufactures, nitrate of soda, coal tar products and pig iron other leading articles of general import.

We have noted that wood and manufactures are prominent contributors to New Orleans' volume of exports, and that leads us to refer to a recently issued census bulletin on "Louisiana Lumber and Timber Products" as having a bearing thereon. The bulletin in question covers results for the years 1904 and 1909 and shows important increases in all the various important items. For example, the number of establishments has risen from 471 to 702 during the five year period, the capital invested has advanced from \$39,573,185 to \$88,973,240, and the value of the product from \$38,370,645 to \$62,837,912. As against 29,743 employees in 1904 there were 48,883 in 1909, with the compensation thereto \$15,-

078,733 and \$23,712,620 respectively. No details of the various descriptions of lumber and timber produced are furnished, but from another bulletin issued quite recently it develops that there has been a considerable augmentation in the output of lumber in Louisiana the last few years, production rising from 2,722,000,000 feet in 1908 to 3,552,000,000 feet in 1909. Without going further into the subject we would merely call attention to the fact that in this industry the ratio of expansion in Louisiana was much greater than in the United States as a whole.

Another industry in which Louisiana has made satisfactory progress, and that therefore not unnaturally is more or less intimately connected with the interests of New Orleans, is the production of sugar from cane. Originally production was carried on in about a dozen States, but gradually the number has decreased until in 1909 it was practically confined to Louisiana and Texas—almost wholly to the former. This becomes manifest when we state that of 192 establishments reporting 188 were located in Louisiana and that their products reached a value of no less than \$28,703,000 out of a total of \$29,351,000. In 1870 the number of establishments in Louisiana was only three and the value of the product but \$643,085.

In the production of rice and in putting it into marketable condition Louisiana also stands pre-eminent in the United States, but the product is as yet of too limited volume to warrant more than casual reference to the subject. It is reported, however, that a material expansion of rice culture is contemplated in the near future. Still other census bulletins furnish evidence of material advancement in Louisiana of recent years. That devoted to domestic animals, etc., indicates an advance in the value of the holdings in the State from \$28,869,506 in 1900 to \$44,646,639 in 1910.

We pass finally to the general manufacturing situation of New Orleans and of Louisiana. As regards the city, the Census Bureau preliminary statement indicates that between 1904 and 1909 the number of establishments increased from 690 to 848, though the amount of capital invested was practically unchanged, and the value of the product dropped from \$81,411,000 to \$78,794,000. The result for the State was an advance in number from 2,091 to 2,516 in the five years, with a concurrent increase in capital from \$150,811,000 to \$221,806,000, and an augmentation in the number of employees from 61,836 to 84,243. The value of products in 1909 at \$223,928,000 was \$37,548,000 greater than in 1904.

In matter of population the growth of New Orleans has not been so rapid as a number of Northern municipalities, but it has been steady, and at the last census the city ranked fourteenth among those of the country in number of inhabitants. Settled by the French in 1717, conveyed to the Spaniards in 1762, reconveyed to the French in 1800 and passed to the United States in 1803 as part of the Louisiana purchase, the population then was only 8,000. Seven

years later, in 1810, it had more than doubled, in 1860 reached 168,675, and 50 years later (in 1910) stood at 339,075, the growth in the latest decennial term having been 51,971, or 18.1 per cent. Old traditions and habits, making for hospitality and good fellowship, retain a firm hold upon the citizens of the South and nowhere more so than in the Crescent City.

STANDING OF THE NEW ORLEANS BANKS.

By C. A. MORGAN, Manager of the New Orleans Clearing House Association.

The financial institutions operating in New Orleans have during the last five years prospered, and the statements they have published from year to year show a consistent growth, a healthful increase in deposits, and general conditions which are regarded as being entirely satisfactory.

Conservatism has been the watchword of all our Bank officers during that period, and the comment of those in a position to judge has been such as to commend the general management of the financial institutions and the skill with which they have administered their affairs.

The figures submitted herewith are compiled from the published statements of the Banks of New Orleans, twenty-one (21) in number, showing their condition to June 30th, 1911.

	Cap., Surp., and Undiv. Profits.	Deposits.	Total. Resources.
Bank of Orleans	\$168,936	\$1,169,744	\$1,342,681
Canal-LA. Bank & Trust Co.	2,300,000	10,889,784	13,192,003
Citizens' Bank & Trust Co.	513,918	1,961,430	2,490,348
Commercial-National ...	723,046	3,511,582	4,544,028
Commercial-Germania ..	1,948,723	11,587,312	13,602,142
Cosmopolitan	253,032	301,291	559,323
German-American	1,680,880	5,303,234	8,223,442
Hibernia	3,321,015	16,316,432	19,717,448
Interstate	1,256,032	6,542,949	8,036,482
Metropolitan	703,305	2,632,637	3,315,943
N. O. National	1,593,551	4,142,520	6,322,282
Teutonia	276,153	1,673,384	2,200,788
Whitney-Central	4,100,000	15,798,319	22,919,319
Bank of St. Bernard....	42,000	183,422	242,855
City Bank & T. Co.....	193,187	878,097	1,136,825
Morgan State Bank	216,781	1,033,531	1,254,312
Third Dist. S. B. & T. Co.	137,915	430,142	572,215
German Am. Savings B. & T. Co.....	323,800	1,516,460	2,304,585
U. S. Safe Dep. & Sav- ings Bank	249,259	1,475,847	1,731,106
New Hibernia Nat. Bank	482,062	891,169	1,863,232
Whitney Central Trust and Savings Bank...	220,000	2,451,221	2,835,340
	\$20,703,595	\$90,690,507	\$118,406,891

The following is a record of clearings by years from 1900 to 1910. The figures for ten months of 1911 up to November 1st total up \$811,499,057.63:

YEARLY CLEARINGS.			
1900	\$556,690,700.74	1906	\$1,023,252,303.19
1901	603,551,123.87	1907	956,154,504.12
1902	672,360,577.12	1908	786,067,575.46
1903	827,710,850.37	1909	904,231,768.82
1904	970,928,984.31	1910	987,491,234.77
1905	962,771,959.56		

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BANKING SECTION

AMERICAN BANKERS' ASSOCIATION

Thirty-Seventh Annual Convention, Held at New Orleans, Nov. 21, 22, 23 and 24, 1911

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The Proposed Monetary Plan.

BY NELSON W. ALDRICH, Chairman of the National Monetary Commission.

Mr. Chairman and Gentlemen: I thank you for the kind reception. I feel that I must apologize to the members of this Association for what must be a very unsatisfactory treatment of this question, so vast in its main and collateral phases, and I feel also that I must apologize to those who are not bankers who grace this occasion with their presence for what will be necessarily the technical and uninteresting character of my remarks.

Among the important tasks assigned the National Monetary Commission is that of devising a plan by which this great country may, in the interest of all of its people of every class and every section, secure that immunity which, for half a century, has been enjoyed by the people of every other great commercial nation, from the disastrous results of monetary panics and acute monetary disturbances; that of presenting a plan which will protect the rights and afford security to bank depositors, and enable the banks at all times to respond to every legitimate demand for the credit and currency so essential for the development of our industries; that of constructing a monetary system for the United States that shall answer the present and prospective needs and requirements of the economic life of a great people. If we are successful in solving these complex and intricate problems we shall have done much to create and maintain that feeling of confidence in the safety and effectiveness of our banking institutions which is so essential to our uninterrupted national progress.

There is a general agreement among intelligent students of the subject that to accomplish these beneficent results it is necessary to provide a comprehensive reorganization of credit, and a thorough reconstruction of banking systems and methods.

The failures of our monetary system can be attributed in part (1) to our inability to enforce that effective co-operation of banks which is necessary to protect the public interests as well as their own in times of stress or crises; (2) to the limitations and restrictions imposed by antiquated or

obsolete laws with reference to the treatment of reserves; and (3) to a defective, inelastic and unscientific system of note-issue.

The appointment of the Monetary Commission was the result of the panic of 1907. I am disposed to say a word to you about the results of that crisis.

As a result of bank suspension we had a suspension of all the productive industry, a shrinkage of all values, a reduction of wages, a lack of employment with irreparable loss to the wage-earners, an arrest of all progress and a loss of prestige to the country. Farmers and other producers were not able to secure the necessary facilities, either for holding or marketing their products. Business men of all classes were unable to meet their current obligations. There was no opportunity for the great mass of the people who suffered these losses, to prepare for the crisis; and the transition from prosperity to depression and panic took place without warning.

It is utterly impossible for any man to measure the extent of the loss and injuries, direct or indirect, to the productive forces of the country which have arisen from our defective monetary system. In the exuberance of youth, nations as well as individuals are likely to be indifferent to the evil results which are sure to follow a profligate waste of vital forces. At such times a feeling seems to exist that the evil results of a continued infraction of natural laws can be safely ignored. Were it not for our unrivaled natural resources, and the characteristic energy of our people, which have given us an unprecedented prosperity and a rapid growth in wealth, in spite of all obstacles, we should have long since found the defects to which I have referred intolerable. Our great and natural advantages have enabled us to go on suffering losses that would have ruined any other country. Any intelligent man who has observed the unsatisfactory character of our banking practices and who has had an appreciation of their destructive results, must have been filled with wonder and amusement that a great people

should have so long submitted to such crude and expensive methods. It must be apparent that the entire public is vitally interested in everything that pertains to the strength and safety of our financial institutions. They are the principal creditors of the banks, as the number of the depositors in our financial institutions is greater than the number of persons employed in all the useful occupations of this country. In considering the uniformity of the public interests in the case of monetary reform, I am constantly reminded of the striking statement made by Sir Robert Peel in opening the discussion on the English Bank Act of 1844. With reference to that proposition he said:

"There is no contract, public or private, no engagement, national or individual unaffected by it." The enterprise of commerce, the profits of trade, the arrangements made in the domestic relations of life, pecuniary transactions of the highest and the lowest amounts, the command of many of the necessities of our life are all affected by the question submitted for your consideration. The questions which were involved in the provisions of the act of 1844 were small compared to those that confront us today. There was then practically only one question considered—that effecting the character and the extent of the note-issues of the Bank of England. We have to deal with a great variety of questions, all far outweighing in magnitude that involved in the legislation I have referred to.

It has been frequently suggested to me, why have we suffered as a result of these defects for so long without an attempt being made to remedy them? I think you will all remember that we had, from the close of the Civil War down to the passage of the Resumption Act, a long discussion over the resumption of specie payments. We had a controversy covering a large part of that period as to whether the United States could issue in unlimited amounts, United States notes which were to be made legal tender. In other words, we had the greenback question, which took ten years. Before these questions were finally disposed of the question of the free coinage of silver came to the front, and from 1875 to the final adoption of the Gold Standard Act in 1900 that was the main question. The discussion of this question was bitter and acrimonious and unfortunately it became a political question. So that we may fairly say that between the time of the Civil War and the passage of the Gold Standard Act of 1900, questions which were in a sense currency questions, but collateral to the real question which I am now discussing, occupied and distracted public attention.

I realize as fully as any man can that our country above all others should never have lost sight of the evolution—yea, the revolution in the monetary methods and practices which during that period marked the economic history of every other great commercial nation. Not by legislation, not regulated by laws of any kind, each of these great nations evolved systems and methods and practices which resulted in freeing those countries and their industries and their development from the incubus which arose and is fatal with reference to crises and periods of great business disturbances.

I ought to say, perhaps, in this connection, that even following 1900, until we were rudely awakened by the results of 1907, there was no idea on the part of bankers or business men of the real defects of our system. When the Commission was appointed and we undertook this great work, there was little information available for us, either as to our own conditions or as to the methods and practices in various countries. I could count upon the fingers of one hand the gentlemen, the names of many of whom are known to you, who had any accurate knowledge of the real, practical methods and practices by which the banking and monetary systems of Europe were carried on. We have entered upon what was, in effect, a new field of exploration, and I venture to say that it is only within the last two or three years that our people have become thoroughly awakened to the importance of this great question and it is within that time that we have very largely, I think, had a very satisfactory and gratifying consensus of public opinion, not only as to

the character of the facts, but as to the general character of the remedies which must be applied.

I propose to discuss briefly some of the salient features of the plan to remedy these defects through the organization of a National Reserve Association. It is proposed to organize the banks of the country into local associations and these into district associations each with distinctive functions and each with local self-governments, and to organize all district associations into the National Reserve Association.

The organization proposed is not a bank, but a co-operative union of all the banks of the country for definite purposes and with very limited and clearly defined functions. It is in effect, an extension of the clearing houses of the country to meet the needs and requirements of its entire people. The plan of organization includes positive provision, first, to maintain the integrity and independence of existing banks, State and National. The new organization is superimposed upon the existing system.

The proposed association, as I have already said, is not a bank, and is not a competitor in any sense for the business of existing banks. In its ownership and domestic business it is confined strictly to banks and the Government.

Second, it provides clearly for the equality of privileges and advantages to all banks, great and small, wherever located.

Third, it provides equality in rates of discount or rediscount to all banks and these rates are to be uniform throughout the country. This, it is believed, will insure steadiness and reasonableness of rates everywhere. I do not expect, of course, that this provision for uniformity of rates will at once make the rates uniform throughout the country as to all classes of business. I do not mean to say that a borrower in a rural community, for a small amount, without security, is to receive the same terms that a man in the City of New Orleans with first-class securities may receive, but it means that so far as the organization is concerned and its advantages and its benefits, that every bank and every section shall be treated precisely alike. The tendency of this must be to an equilization of rates for the same class of securities and paper everywhere throughout the United States. In France for half a century the discount rate has been substantially uniform, varying, I think, but little more than one per cent.—less than one per cent. under ordinary circumstances and not much more than that under extraordinary circumstances. The effect has been that the business of France—the credit of its people—has been administered in a way which gave to all of its people equity of privileges and equity of consideration throughout the entire country.

And I want to say further, that this condition of affairs, involving as it does in France, and as it will surely involve in the United States, steadiness of rates, opportunities for employment, will certainly not result to the disadvantage of the banks of the United States, if we can judge by the experience of the great joint stock business in all of the countries I have mentioned. The banks of France and of England and of Germany, notwithstanding this general equalization of rates for the same conditions, pay dividends that would be considered respectable, at least, in any community in the United States. Why? Because of this steadiness that I have alluded to. Our banks today loan many times at one-half of one per cent., or one per cent., or one and one-half or two per cent. upon collateral, for speculative or other purposes. They may perhaps for a few days loan money at 100 per cent., but there is no banker who hears me today, but what, if he was reasonably certain of being able to invest his funds at a steady rate, much lower in some communities than those which are now used, or imposed, that he would have a more satisfactory condition of his business and he would serve the community in which his bank is located much more satisfactorily than it is done now. The vast benefit of this country with its approaching equalization of conditions—because a man who loans money on mortgage to the west of the Mississippi or the Missouri, or here, does not expect and cannot receive the same rate that he received half a cen-

tury ago—we are accordingly becoming a homogeneous people in our industries and in our financial operations. I look forward to the time and I hope if this plan is adopted that this regulation that I have suggested will urge it forward—I look forward to the time when the producer or the farmer in your midst or along the Mississippi or Missouri valley, or in the mountains in our mountain States for the same class of securities will be enabled to secure his capital—the capital that is necessary for his business—at as low a rate as is secured by his competitor anywhere else in the east, in New York or any other of our great centres.

Fourth, this organization is of a form and character that will effectually prevent the control of its operations by political influence, local or national. I have taken occasion to say repeatedly from the inception of our investigation, that this plan will never be successful and can never be successful, that this great question can never be successfully solved, unless it is kept out of politics. (Applause.)

We have had too costly an experience in this country in the past by having economic questions made political questions. This is not a political question; it is simply and purely a business question—a business question that not only affects bankers, but to a much greater extent and more vitally, the business man of the country; and not only the business men, but the great people, the farmers and all the people that are engaged from one end of the country to the other in the productive force which makes for the greatness of this country more than any other.

I say then we have to consider and they have to consider, not only these classes of people, but more particularly the wage-earners of the country, because they are the people who are to lose and their loss cannot by any process be recouped. The banker many times, not infrequently perhaps, passes through a crisis with undiminished dividends and unimpaired resources, but the wage-earners of the country, the farmers of the country, the great mass of the people of the country who are so vitally interested in everything which pertains to the distribution of credit and capital, have no way of saving themselves from loss.

Fifth, every means has been taken, every safeguard adopted, to prevent beyond question the possibility of its control by any corporation or combination of corporations, banks or otherwise, by any individual or combination of individuals in Wall Street or elsewhere, for selfish or sinister purposes.

That, of course, is one of the vital things involved in the re-construction of our monetary system. Today the whole financial interests of the country depend upon what is popularly known as "Wall Street." The country banks depend upon their correspondents in reserve cities or central reserve cities. The central reserve cities, the reserve agents through the country banks and individual banks, depend upon the banks of New York. Necessarily, because New York is a great financial centre and she has vast accumulations of capital. What happens if New York, for any reason—like those which resulted in 1907 in suspension—when New York fails to respond to drafts from the country and suspends? The country suspends. If it should be announced from this platform now, at this minute, that there was great excitement and agitation in New York, and that one of our great institutions had suspended—banks or trust companies had suspended—there is not a man in this audience but would realize in an instant that his capital and his organization were in peril, and the chances are that there would be no relief to be found in any direction.

Now, this organization which we propose has for its first and its prime purpose to place the business of the country, through local organization—the banking of the country—in such form that there can be no general suspension of the banking institutions of the country and no general suspension of their credit functions. As your President has said, in the latest revision of the plan of organization, we propose to limit the representation of the districts to four out of 39 of the 39 elected directors. Under that plan New York would be entitled to four representatives, but New York City

alone had 20 per cent. of the banking capital and 26 per cent. of the banking resources of the United States. The whole of the Eastern States, including New England, New York, New Jersey and Pennsylvania would have and could have but twelve representatives, or 31 per cent. of the representation. Those States have 50 per cent. of the banking capital of the United States and 60 per cent. of the banking resources of the United States. That great Middle West, which is a very important factor in our economic life, would have four districts undoubtedly—41 per cent. of representation with 25 per cent. of banking resources. The South, which I will take up later and show you is to be the section to receive the greatest benefit from this organization, the entire South would have at least 31 per cent. of representation with 14 per cent. of the banking resources of the country.

I think that this statement must of itself convince you that there can be no local domination; no domination of selfish interests in this organization. It has been my purpose as it has of those with whom I have been associated in the preparation of this plan, that this one subject should be placed beyond dispute, and, if we find growing out of the criticism from any quarter that it is not fully covered in the draft which is now presented, you can be certain that before it leaves the hands of the Monetary Commission that point will be fully covered.

Sixth, the dominating principle is co-operation and not centralization. We are satisfied that we could not adopt or adapt to our use an organization like the central banks of Europe or the Second Bank of the United States.

We have once in a while a man appear who, largely, I think, for personal or political reasons affecting himself, or he may believe affecting the interests of his party, who talks without knowledge about this being a central bank, and who summons the ghost of Andrew Jackson and commences to discourse about the Second Bank of the United States. Well, I am inclined to be charitable and we have welcomed and we do welcome intelligent criticism from every source, because intelligent criticism is the most valuable thing which can be received or secured in a great constructive work such as we are engaged in; but when men—and usually they are men who admit that they have not read the plan, and who obviously have not given it sufficient consideration to have at all comprehended its meaning or its purposes—talk about the Second Bank of the United States or a central bank, you may be certain if you examine that man and his surroundings and his predilections to find a man who is trying to incite prejudices, to arouse passion, not for the purpose of securing the settlement of this question in the interest of all the people of the United States, but on account of certain personal reasons or some political reason he wants to exploit himself. Now, I greatly mistake the character and the intelligence of the American people if those fakirs are to have any important influence in the solution of these problems.

Among the provisions of the plan intended to remedy defects and cure existing evils are:

(1) To insure the maintenance of adequate reserves by the Association and its members, with such provisions for discounts and note-issue as shall enable the organization to respond promptly at all times to normal or unusual demands for credit or currency without danger of undue expansion or inflation.

As I have already stated, one of the principal defects of our banking system grows out of the artificial and unscientific treatment of reserves required by our banking laws. There is universal agreement that a portion of a bank's assets must be kept at all times in liquid form to enable it to meet promptly its demand obligations. With us a certain percentage of its liabilities is required to be kept in actual cash, and another portion on deposit with reserve agents.

In ordinary times withdrawals of balances are equalized by new deposits, but banking institutions must be prepared at all times to meet exceptional demands, and all well-managed financial institutions keep reserves in cash and at bank and also have a secondary reserve of commercial paper or

other quick investment assets that may be readily convertible into cash.

In this country we have had but little serious discussion with reference to the proper character and extent of bank reserves; but all must agree that the manner of distribution makes them useless when needed. When we consider that the cash reserves of the banks are necessarily divided into 25,000 widely scattered portions, it is not surprising that they should fail of their purpose and prove useless in time of trouble. Instead of being concentrated, as they are in all other countries for the effective protection and benefit of any, they are rendered by this distribution ineffective and useless to all. In other countries reserves are regulated both as to character and extent, by the judgment and custom of managers of banks and not by legislative provisions.

Our trouble arises largely from the absurd limitations prescribed by the National Banking Law—a limitation that has been generally followed by legislation in the States—that not only prevents a bank from giving credit or discounting the paper of its customers, but practically forbids the use of its reserves for the purposes for which they were created whenever and so long as the aggregate of cash and balances falls below the prescribed legal percentage. The effect of this paralysis is disastrous in times of stress. Not only is extension of relief to customers prohibited, but no method is provided for protecting or replenishing the reserves.

In every other commercial nation deposits by joint stock banks in a central institution are held by custom to be equivalent to a cash reserve, and this balance can always be increased upon reasonable demand by the re-discount of commercial paper of a recognized standard. In all other countries in times of distress or anticipated trouble aid is liberally extended to all solvent customers who have the credit or necessary collateral, and the reserves of the bank are freely used, protected and increased in the manner I have described.

You are all familiar with our experience in 1907. Before and during the general suspension individual banks, almost without exception, outside of the great cities took every means to increase the amount of their cash reserves, as they naturally believed this course was necessary for self-preservation. This scramble for an increase in the cash reserves of the banks from the Atlantic to the Pacific accentuated, if it did not create, panicky conditions.

I repeat that it is clear that in times of pressure the scattered cash reserves in the possession of our individual banks are practically useless and ineffective for any of the purposes for which reserves are created.

(2) To provide for concentration of the cash reserves of all the banks to be used for the assistance and support of any, under assured decentralization of control. Scattered reserves have been found useless in times of pressure. Deposit balances in the Reserve Association are to be counted as legal reserves.

(3) To authorize the Association to re-discount, through its district branches under local control, commercial paper of a definite character for individual banks, to be used in replenishing their reserves.

(4) To give to individual banks the facilities for an increase of their reserves and loaning power which will enable them to adopt the policy which has been universally effective in other countries of allaying excitement, creating confidence, and preventing panics, by prompt payment of all demand obligations as presented, and at the same time granting a liberal extension of credit to all deserving customers in times of uncertainty and distrust.

(5) To grant the power for further note-issues to this co-operative Association of all the banks, an authority which is now vested in National banks scattered throughout the country, and by requiring the Association to forward its notes to any subscribing member at once upon application and without charge for transportation.

Prompt redemption of all notes is required at the several branches of the Association.

(6) To give authority to the Reserve Association to fix rates for re-discounts, which must be uniform throughout the country.

(7) To give to the Reserve Association power to protect its own reserve, and thus enable it at all times to perform its most important function, that of sustaining the credit of communities and the country. For this purpose the Association is required to keep its assets always in liquid form, and all its re-discounts and investments must be in short-time paper or securities. To enable the Association to strengthen its own reserves it may, first, attract gold from other countries by an advance in the discount rate. In other countries, whose conditions are perhaps unlike ours, this method of attracting gold and of replenishing the gold supplies of the country has been always found effective. Second, purchase and borrow gold and give security for its loan. It can purchase and borrow gold. It is authorized to buy and sell, either here in the United States of its corresponding banks, or subscribing banks, or in foreign countries through foreign banks or correspondents, or through its own agencies, bills of exchange drawn against American products and payable in any of the great commercial countries. This plan of investing in foreign bills has been, in recent years, especially in Germany and in Austria, deemed the most important agency for protecting gold reserves. It is not necessary for me to explain to you why this is so. It is very evident that there can be no better way of bringing gold to the United States or placing it to the credit of the banking institutions of the United States than in having a portfolio of short-time prime bills constantly becoming due and constantly adding an accretion to the gold supply of the country. We propose to create a wider discount market in this country—and I believe that this is after all the most important provision, or certainly one of the most important provisions in this whole scheme—we propose to authorize the national banks, for of course we have no control in this regard over State institutions, to accept drafts drawn upon them, properly secured, for instance, secured by a pledge or a deposit, or by a bill of lading upon merchandise—upon the great products of the country. For example, on cotton in transit or in warehouse; wheat in transit or in elevators. All the great agricultural products of the country are susceptible under this plan of being given immediate current value, either in national markets or in international markets.

We propose to establish a standard of commercial paper outside of these acceptances—commercial paper which is defined as notes or drafts, issued or drawn for agricultural, commercial and industrial purposes and not for the carrying of stocks and bonds and other stock exchange investments.

The value of the agricultural products of the United States in 1910 was \$9,000,000,000. If we add to that the value of the manufactured products, the products of the mines, and of the various other industries of the country we will have a sum represented by the products of this great people which is almost beyond imagination. All of those products, from the first step to the last, from their production to their consumption, requires the greatest amount of credit which is available by the banks and financial institutions of the United States. But it does something more. We exported \$2,000,000,000 of our products. We imported \$1,500,000,000. We exported last year about \$650,000,000 in value of cotton. That cotton was largely financed by 60 or 90 days' bills drawn on Liverpool or London, or Berlin, or Paris. That business was practically all done by foreign banks. Of course, some of the banks here granted temporary loans. Of course, the banks in New York were enabled to collect a commission—not as large as they would liked to have had it, perhaps—but a commission over a great many of these bills in transit. In the final analysis, however, these bills were all financed by foreign bankers.

We are the first country in the world in our financial resources, and we have natural resources that are vastly greater than any country in the world. Ought we not to be ashamed of a financial monetary system that does not permit—and I use that word permit intelligently, I think—the banks.

of the United States to finance the country's products, the products of its farms and its manufactories and its mines. Why? Largely for the reason that these institutions do not dare to buy this kind of paper. In the summer months, and at other times, too, the banks of all of you gentlemen, if you have a surplus, what do you do with it? I am not now talking about reserve moneys or the money deposited with reserve agents. Of course, we do not propose to change that. But if you have any surplus money, what do you do with it? You send it to New York, perhaps through New Orleans or Kansas City or Chicago, but it all ends in New York. What do the New York bankers do with it? What are they obliged to do with it? They loan it out on call on Stock Exchange collateral. There is nothing else that they can do with it. They loan it at the market rate. Thus inducing many times, as they know, as well as we know, dangerous speculation and dangerous conditions. When your banks want that money you may get it and you may not. You may be told that conditions are such that you will have to wait. In times like 1907 you didn't get it at all by any process.

Now, what ought to happen and what would happen under this plan? You gentlemen send your money to New York at two per cent. because there is nothing else that you can do with it. You do not dare to buy bills of the character which I have described, first, because you have no knowledge of the responsibility of the parties who made them; and, second, and more important to all, because at the time when you need the money you cannot get it. Now, we propose to erect the machinery, to devise a system, by which instead of investing your money at two per cent. in Wall Street for speculative purposes, you shall invest it in bills representing the industries and the products of the United States. It may be that you will not be able to get the full rate of discount for ordinary commercial loans, but you will get more than two per cent. for your money; you will get three or three and a half per cent. You will have to compete, of course, for that business with foreign banks, but you will get more than two per cent. and you will get paper, created for wise purposes, for necessary purposes, which you can take across the street to the district organization and have it turned into cash at any moment in the whole 365 days.

And what I say about foreign bills is true of domestic bills of the character of the acceptances of your banks. A man who raises cotton in Texas or in Louisiana cannot have his paper sold in the markets of Chicago or New York, because the bankers of Chicago or New York do not know him and have no means of finding out whether he is responsible or not. But when one of your great banks here in New Orleans, knowing the party who makes the draft, whether he is a sugar planter or a rice planter, or a producer of cotton, a man who may have deposited with the bank security on the property either in warehouse or otherwise, when that bank accepts his paper, why, then it goes in any market of the world.

Is it not worth while, gentlemen, to take the financial institutions of the United States out of this condition of congestion, and place them alongside the best banking institutions in the world? There is not a particle of reason why sterling bills should remain the highest form of credit. The United States by virtue of its resources, its intelligence, and the energy of its people, ought to make New York, and New Orleans, and Chicago, financial centers of as great importance as those of Europe. It ought to make a bill, drawn by a producer here in Louisiana, or anywhere in the United States, drawn in dollars and cents instead of in pounds, shillings and pence. Are you willing, gentlemen, to do this? It is largely in your hands. I do not mean to say that the bankers of the United States can do this alone. They are not, as I have already said, the people who have the greatest interest in this matter, but they do reach the great mass of the people of the country, and their influence directly and indirectly will be great in this direction. The organization of the banks in foreign countries assists in the extension of our international trade. The United States has recently entered upon a career as one of the great powers of the world. Nothing can help us

in international trade more than for us to have banking connections with these foreign countries, and then extend to them the same care in the production of products for their market that we do to those of our own markets. There are a great many agencies, which I will not stop to recite with reference to the extension of our commercial trade, but one of them certainly is to give us banking connections. And secondly, and vastly more important than that, is to give an international character and currency to American bills of exchange and commercial paper that will make them known and make these financial conditions known in every part of the world.

Think of this great city, the gateway of that new path of commerce to the markets of the world which is soon to be opened: think of the possibilities of this great centre, representing as it does an empire, along the valleys of these great rivers that center here: think of the possibilities with the Panama Canal opened, with direct communication with Central American and South American, and with better communication with the Orient: think of the possibilities of development and growth! I am sure that the bankers of New Orleans and of Louisiana recognize the importance of developing in every possible way the opportunities which will accrue from the opening of the Panama Canal, but unless they have more organization of credit, credit instruments, the confidence which grows out of strong financial institutions, what do the people of South America or of the Orient know about New Orleans as a financial centre. They know little about New York, perhaps less about Chicago. We are in an unfortunate position otherwise. Not only is the American flag rarely seen representing a commercial business in the ports of any country in the world, but our banking institutions are not known and cannot be known. As long as New Orleans pays for the coffee which it buys in Brazil by drafts upon London in sterling exchange, it cannot increase the knowledge of those countries of American financial institutions. I believe that the provisions which we make for building up the credit institutions of these great sections of the country, for the taking care in a reasonable way of the products of the country, for making the United States what it ought to be—the great financial country of the world—I think that these things are the most important features of this plan of reorganization. In my judgment, they must appeal to you men of the South, especially to the men here in Louisiana, who have memories of strong financial institutions existing here, and in but few places elsewhere before the Civil War: to the men who represent fairly the best sentiment of the people of the South. If these propositions do not appeal to them, then I have ceased to have any confidence in human nature.

The dividends of the Association to which stockholders are limited are 5 per cent., and the Association, for the important privileges granted to it, pays franchise or other taxes which are equivalent to the excess of its net earnings above dividends. It is estimated that the amount to be paid into the Treasury of the United States will increase the revenues of the Government at least fifteen millions of dollars per annum.

Now, we are to be confronted with two classes of opponents to this proposition. First, the gentlemen to whom I have alluded who are trying to exploit themselves for political purposes, and, second, a class of people who honestly believe that the Government of the United States ought to issue its own notes. I see indications all around that that is one of the principal objections that we have to make. There are some people who believe conscientiously that the Government of the United States ought to issue all notes practically without limitation—I never heard them say exactly how they are going to get them out, but they say they ought to be issued any way and that the Government ought not to give this important privilege to the banks. Now I am willing to admit myself—because that is what I believe—that the issuing of notes, of money of any kind, is a function of a sovereign Government; but the experience of the world without exception has shown that the exercise of that authority directly by the Government has invariably

led to disastrous results. We now give this important privilege to six or seven thousand banks. We propose that it shall be exercised by one organization directly under Government control and supervision, putting about it restrictions and limitations of such a character as will in my judgment make inflation impossible. It requires the Association to facilitate domestic exchanges by transfer of balances from one branch of the Association to another upon application. I think all of you have felt the importance at times of having an institution of this character, which should make these transfers for you easily and practically without cost. I believe that the internal exchanges of the country will be greatly benefited. The great banks of Europe make this kind of transfers for their customers and for the public. We have felt obliged to confine all the business of the Association to the banks, but it is easy for any individuals to secure transfers through the bank in which they keep their account, and I expect that great benefit will accrue, especially in times of excitement and uncertainty, by having one great institution, that by simply transferring a balance upon its books, can transfer the cash from one section of the country to another without delay.

It admits State banks and trust companies to membership in the organization under provisions which co-ordinate the conditions of membership of all banks with reference to the character of their reverses against demand and time deposits, and with reference to the character and number of examinations, and as to the frequency and character of reports of condition. The treatment of time deposits is believed to be equitable to banks of all classes. It is believed that the character of examinations and the enforced publicity of frequent reports will prove an important factor in creating public confidence in solvent institutions.

I do not think it possible to overrate the importance of the provision to which I have just alluded. We are living in an age when publicity with reference to the management and condition of public or quasi public institutions is demanded for imperative reasons. Publicity is not more important anywhere than it is with regard to financial institutions with whom the great mass of the people have to deal at times. We have not undertaken to change the business or the privileges of state banks or of trust companies. We only say that if they come into this organization they shall enjoy equal privileges, the only condition being that they shall keep the same class and amount of reserves that a national bank does under the same conditions and in the same locality. Also, that it shall submit to the same kind of an examination, these examinations to be conducted by local authority in the district, and are to be uniform as to all institutions. I expect that we will be able to work out a plan, certainly it is my intention to do so, which will prevent numerous and expensive duplication of examination. Some of you gentlemen have had to submit to three or four examinations a year, which is not only burdensome, but expensive and unnecessary. We propose to concentrate the examination, so that they will be effective, and recognized as of value by everybody concerned. Then, taken in connection with frequent reports of the condition of the institution, I believe that the whole American people will be able to judge of the character and solvency of all financial institutions.

We propose to give the National Banks increased privileges. There has always been a feeling that in the competition for business throughout the country state banks and trust companies, especially in recent years, have had an advantage over national banks. I do not know how much basis there is for that feeling, and it is impossible to tell. But one thing we do know, namely, that the increase in number of the state banks and the trust companies has been far greater than the increase in the number of national banks within the last ten or fifteen years. I believe it is fair to both classes of institutions that so far as we can,

by national legislation—and that, of course, is very limited in this respect—we ought to give to state banks and to trust companies and to national banks an equality of privileges and an equality of advantages. We propose that the same rule which we fixed for reserves on time deposits, which have given me personally much more trouble than almost anything else in this bill, to define time deposits, and to find provisions that would be reasonably satisfactory to all of these institutions—we propose that as to time deposits national banks shall have the same privileges that are given to state banks and to trust companies.

We propose to go further—and this is in answer to an insistent demand from this section of the country from here to the Northwest, and especially the Northwest—and give to the national banks the right to have a savings department, and to loan money on real estate, under proper regulations and control. I asked the comptroller of the currency to make an investigation of this question for the purpose of ascertaining what was the wish of the national banks in this direction, and I have just received a copy of the results of his investigations. To me it was most striking, and I must confess surprising. In answer to the question whether the national banks wished to have savings departments, it was ascertained that 51 per cent. of them now have such departments. In answer to the question whether national banks should be permitted to loan money upon a certain part of their deposits, savings deposits or otherwise, to loan the money on real estate, 81 per cent. of the national banks responded in the affirmative, or 5,543 out of a total of 7,000. The other questions, which were rather elaborate in character, were answered approximately along the same lines.

Now I believe, while I have always held the opinion and still hold it that a commercial bank in a large city should not tie up a part of its assets in loans upon real estate, or the obligations of a class of deposits like savings deposits, I am certain that the sentiment of the country, the sentiment of the national banks of the country, is such that it will be impossible to pass any bill establishing a plan which did not allow, under reasonable conditions and restrictions, a national bank to loan some part of its assets upon real estate. That is the practical side of the question, and so long as there is confidence all along between the state banks and the trust companies, I will not say but what they should have it.

This ends my analysis of the main features of this plan. I realize that the subject is so great from every standpoint that it is impossible, as I said at the outset, to do more than merely touch upon some of its salient features. I have tried to explain to you what our purposes were in reference to this organization. I do not mean to say—indeed it would be impossible for any man to say—that I have covered all the points in all of the details. I have not tried to cover the details. I have simply submitted an outline of the plan, and I do not mean to say that it is at all perfect. We expect a continuation of criticism from intelligent men, and we welcome it, having in view the needs and the necessities of this vast country with its varied interests and sectional demands.

Now it remains for you, gentlemen, it remains for the people of this country who are interested in the future development of the country, the people who are interested in the welfare of their children, and of their grandchildren, to study this question carefully; and, after they have studied it, to make up their minds that it is important that it should be enacted into law. Let your representatives in Congress and the men who form public opinion in your community understand that this is a matter of vital interest to the whole people of this country, and sooner or later, the public opinion of all those people will judge of the capacity of the men to represent them by his comprehension of the needs and requirements of this great subject.

The Relation of the National Reserve Association to the Government.

By A. PIATT ANDREW, Assistant Secretary of the United States Treasury.

One of the merits of the proposed plan is that it contemplates the complete withdrawal of the Federal Government from the banking business. Ever since the Government was organized, it has undertaken to carry on banking operations in some form or other; first, as part owner of a great commercial bank; then, when that experiment seemed unsuccessful, and for the last 70 years, as the custodian of its own vast revenues and checking accounts, and, finally, during the last half century, as the exclusive manager of that branch of banking which has to do with the issue of circulating notes. No other important commercial country, at least none of the countries of Western Europe, has attempted for several generations to engage in Government banking in any of these forms, either as owner or partial owner of a commercial bank, or as maintaining a separate depository for its own funds, or as handling the issue and redemption of bank notes.

Our Government has long since ceased to participate in the shareholdings of commercial banks, and among the multitudes of proposals for banking legislation, sane and insane, with which the country has been flooded during recent years, I have yet to see the first suggestion that it should attempt a repetition of the banking experiments of its early decades. We need not, therefore, devote time to demolishing the idea of a Government owned bank. There is no danger of Congress ever again considering seriously the revival of a United States bank. Our Government still continues, however, to act as its own banker, and still continues to monopolize the note issuing function of our entire banking system, and with regard to each of these conditions I shall say something today.

First, in regard to the effect of the Government to serve as its own banker.

No other Government in the world is so ill adapted as ours to act as its own banker. Under Governments with responsible cabinets, such as exist practically everywhere else, the machinery is provided for a balanced budget and an approximate equivalence of revenue and expenditure. Such Governments are not confronted with alternating and unpredictable surpluses and deficits, and even if their funds were entrusted, as in this country, to an independent treasury, there would result no such haphazard and disturbing withdrawal of money from the banks and from circulation or equally upsetting reinjection of money into the currency as has occurred here from time to time. In our Government system, however, we have neither the machinery to insure a balance between income and outgo, nor even a serious purpose to attain such a balance. Under our peculiar methods of Government, one pair of Congressional Committees prepare the bills for raising money, while another independent and much larger group of committees prepare the bills for spending it, and no individual or committee is seriously charged with the duty of adjusting the balance between them. Moreover, our revenue measures have ordinarily been framed with other considerations than raising revenue in mind, while not infrequently the appropriation bills have reflected little or no regard for the country's income. In certain past years we have been confronted with a deficit amounting to over a hundred million of dollars; in other years with a surplus of like proportions; and the effect of these vagaries in our budget, if the independent treasury had been consistently maintained, would have been a corresponding addition to or deduction from the country's currency without the slightest regard for the demands of business.

In the face of such a situation, with revenues and expenditures seesawing in alternate surpluses and deficits, successive Secretaries of the Treasury during the last decade and a half have seen fit to largely qualify the independent treasury as a depository of the Government's working balance and have adopted instead, as the only possible alternative, the deposit of a considerable proportion of the general funds with particular banks. In pursuing this policy, they are still hampered at every turn by a hodge-podge of outworn laws, but what makes the system really objectionable is the fact that it inherently involves injustice and inequality in the treatment of different banks. To name one instance of the fettering effect of outgrown laws, under present legislation, the Treasury is in the anomalous position of holding large balances with banks in the larger cities where there are sub-treasuries without being able to draw upon these accounts to make expenditures. In fact, though during the last ten years we have held on deposit with such banks anywhere between \$10,000,000 and \$150,000,000, we have been obliged under existing laws to transfer these funds from the banks to the sub-treasuries before checking against them. The banks, in other words, have enjoyed the full use of the money during the greater period and in most cases still without paying interest, while the Treasury has been obliged to bear the expense of handling it. Another anomaly under the present law is that customs revenue cannot be legally deposited with the banks in any sub-treasury city. But even if these anomalous provisions of the law were straightened out, the system would remain objectionable because of the inevitable discrimination and inequality which result from the selection of particular banks as depositories. We have at present 423 regular depositories and 939 so called "temporary depositories" (the latter having been the recipients of substantial sums in the days when the Treasury enjoyed a surplus, but their Treasury balances today being reduced to a nominal holding of \$1,000). All of these institutions enjoyed the distinctive privilege of advertising on their doors, in the press and on their circulars and stationery the fact that they have been designated "United States Depositories," thus conveying to the uninstructed the false impression that they have been selected because of the peculiar assurances of safety, or of credit, which they offer. Yet, as all bankers know, the 1,362 institutions selected as United States Depositories are no more worthy of confidence or of distinctive preference by the Government than the 5,969 other institutions under Federal Charter, nor are they so regarded by the Government. Moreover, among the 423 active depositories, the Treasury's authorized balance varies from \$25,000 in some institutions to \$1,200,000 in others, and these differences, though of considerable financial importance to the banks concerned, as is evidenced by the importunate demand for such balances on the part of bankers and their Congressional representatives, cannot in the very nature of the case be adjusted between the banks upon any basis of equity. The Government balances must be primarily distributed according to the localities in which revenues are collected or disbursed. Try as we will in the Treasury to temper our business requirements with considerations of equal treatment of the banks, inequalities in abundance are bound to persist. Even in the same cities sometimes there are National banks with Government balances of nearly a million, side by side with other National banks of equal size without any Government funds at all. The very system involves unwarranted discrimination between banks which

are designated as depositories and those which are not, and among the depositories, it involves inequitable distinctions between those which are regular and those which are temporary, and between those with large and those with small balances. It means selection, means unavoidable favoritism, means appeals from Congressmen and Senators, means complaints and criticism. The whole system is wrong.

It is highly important therefore that the monetary plan now before the public proposes a mechanism by which, on the one hand, the Government's haphazard surpluses and deficits can be prevented from affecting any serious alterations in the currency supply, and by which, on the other, the manifold injustices and discriminations as between banks which are inherent in the present system of handling Government funds can for the future be completely eliminated. If the plan is adopted, the Government's general funds and all future revenues will be deposited with the National Reserve Association and the annual disbursements, amounting to a billion or more of dollars, will be made through that institution and its branches. The Government accumulations will thus be kept at the continuous disposal of all the banks and through them in the uninterrupted service of the public, and never again need the Government balance serve as a disturbing factor in business, or as a source of inequitable discrimination between the banks.

Second, in regard to the activities of the Government in the management of note issue and redemption.

Ever since the Civil War, or for nearly half a century, the issue of circulating notes, which, in every other leading country, has been regarded as an essentially banking function, exclusively appropriate to the banks, has in the United States been treated as an exclusive function of the Government. In Great Britain, so far as I am aware, the Government has never issued any notes except the interest bearing exchequer bills, which have never served as means of payment and which can scarcely be classed as circulating notes. In France, the Government has issued no notes since the fateful period of the assignats and the mandats in the eighteenth century. In Germany, the Imperial Government has issued no notes since its establishment, except the very unimportant amount of treasury notes emitted at the foundation of the Empire in redemption of certain obligations of the preceding regime.

The American Government similarly, for three-quarters of a century after its lamentable experiences with Colonial and Revolutionary currency, abstained from further incursions into the credit field and, except for momentary relapses during the War of 1812 and the war with Mexico, issued no fiduciary money. It was the dire extremities of the Union Government during the Civil War which led to a reversal of this policy, and it was the prolonged duration of the war and its consequences which gave the reversal a momentum that has continued to the present day. Both the greenbacks and the so-called National bank circulation were credit devices to provide the government with the means to prosecute the war. Both were, and continue today, the equal obligations of the Government. With the greenbacks, the Government borrowed directly from the people; with the bond-secured so-called bank note currency, the Government borrowed indirectly, the banks lending to the Government in the first instance, then being allowed to borrow an equivalent amount from the people under Government guarantee.

The two systems of currency are alike objectionable, because the conditions of their increase or decrease have only to do with the balance between the Government's revenue and expenditure and have no relation whatever with the needs and qualifications of the country's business for circulating media. In their ultimate analyses, I find little difference in this respect between the system of fiat Government money, represented by the greenbacks, and the so-called bank currency that the Government issues to any bank which offers Government bonds as collateral. It means, in either case, that the currency increases when the Government has to borrow and decreases when the Government repays its

debts. In either case, it opens a tempting and precarious way, by which a weak Government can enter upon undertakings for which it is not financially prepared at the risk of inflating the currency and undermining business credit.

It is doubtless upon some such accounts as these that the great European countries have long since abandoned the Government issue of notes and have, without exception, avoided the American system of indirectly issuing Government notes by allowing their issue in substitution for deposited Government bonds.

The circulating notes, like the circulating ledger balances or deposit accounts, ought to be part and parcel of the credit machinery of a country; they are not essentially or even naturally related to Government finance. The amount of circulating notes which is needed and which can be safely issued is not a multiple or co-efficient of the Government's need for revenue, but depends upon the general character and trend of business, upon the quantity of standard or lawful money available as a basis for credit and upon the extent to which credit in other forms is already in existence. Of all these factors in their various relations at any given moment, neither Congress nor any executive department of the Government is likely to offer the most expert judgment. They are factors requiring for their just appraisal the most experienced and the most disinterested financial opinion based upon the widest relations with banks and business throughout the entire country. And it is to such expert determination, rather than to the Government or to the individual bankers, that the extension or diminution of the note credit of the country ought to be entrusted.

Now, it is to just such authority that the control of note issue is relegated in the suggested plan. The Government is to be taken out of the business of note issue, at least insofar as the greater part of the fiduciary issues, the bank notes, are concerned; and these issues are to be permanently divorced from their present illegitimate relations with the Government bonds.

I shall not attempt to treat here of the details of the plan of this divorce. You doubtless all know how the National Reserve Association is to take over the note issue and the bonds from the National banks, how the Government is to refund the two per cent. bonds into three's, and how the Reserve Association is to pay a sort of alimony for fifty years after the divorce has been effected. The net result of all these arrangements is this: That the country will get forever rid of the unscientific, unresponsive and dangerous Government bond-secured currency; that the note-circulation will once more become an integral part of the credit machinery under carefully framed legislative safeguards and under the most expert and most disinterested management which the banking community can provide; that the banks will be able to dispose of their artificially valued bonds at par; that the Reserve Association will hold these bonds on such a refunded investment basis that it will be able to dispose of them from time to time without probable loss; and, finally, that the Government will, without additional expense, be able to refund \$700,000,000 of its debt for fifty years at a net interest charge of only one and one-half per cent. per annum. Can anyone expect more comprehensive and desirable results from any proposed plan than these?

So, two of the important activities of the Federal Treasury will be transferred under the suggested plan from the Government to the Reserve Association: First, the handling of the Government funds and their disbursement; and, second, the issue and redemption of bank notes. This will effect great changes in the Treasury administration and will make possible great economies to the Government. As the functions of the sub-treasuries are to be taken over by the Reserve Association, the expense entailed by the management of these institutions can be eliminated. The appropriations for salaries in the sub-treasuries for the current year aggregate \$715,390 and for contingent expenses \$170,000, or a total of \$885,390, all of which would be saved to the Government in the future. The details of the reorganiza-

tion of the Treasury, which would follow the adoption of this plan, have not been worked out, but it is likely that most of the expense of the division now known as the Division of Public Moneys could be wiped out. It is, of course, a question still to be determined whether the Government deposits which are to be continued in National banks in places where there is no branch of the Reserve Association shall be placed there to the credit of the Treasury or of the Reserve Association, but it is quite within the range of possibilities that all Government money should be in the custody of the Reserve Association, and that where it has no branches it should designate the local banks in which deposits are to be made. This would relieve the Secretary of the Treasury of the task of distributing public funds and the remaining functions of the Division of Public Moneys could easily be assumed in the office of the Treasurer. The appropriation for this division for the current year amounts to \$200,600, all of which could probably be saved. It would thus not be extravagant to estimate the saving through the elimination of the independent treasury at about \$1,000,000 per annum. This takes no account of the valuable space in Federal buildings now occupied by sub-treasuries and of buildings in certain cities devoted entirely to this purpose, all or part of which could be either sold or rented to the Association or devoted to other purposes.

In the transfer to the Association of the business of bank note issue and redemption, the Government will effect further important savings. During the present year the Treasury has been involved in the following expenses in connection with the bank notes:

Through the Division of Loans and

Currency :

For distinctive paper	\$76,194
For handling this paper	4,354

\$80,548

Through the Bureau of Engraving and Printing:

For engraving plates.....	\$5,471
Printing of notes	541,416

\$546,888

Through the office of the Comptroller of the Currency:

Redemption and Issue Division..

\$66,320

\$693,756

In other words, the transfer of the business of issuing and redeeming of national bank notes to the Reserve Association would result in a saving to the Government of about \$700,000 annually and the aggregate saving from the elimination of the remnants of the independent treasury and of the National bank circulation would be \$1,700,000 annually, to which should also be added the rental value and the present cost of maintenance of the nine sub-treasuries, which would carry the total annual saving certainly above two millions.

It would be premature at this time to attempt to add to this figure any estimate as to the amount which the Government will receive from the Reserve Association in taxes and surplus profits, but this undoubtedly will be reckoned annually in the millions.

And so the Government will save upwards of two million dollars per year and will receive profits of several millions more, in ridding itself of two branches of activity for the conduct of which it has always been ill-equipped and which it ought never to have assumed. One of these, the bank note circulation, was only undertaken as a measure of war, but has lagged on superfluous for a half century thereafter; the other, the independent treasury, though it has been on the statute books a longer time, really collapsed years ago and, for at least a decade, has only maintained a limping existence. We shall see them both go, with benefit to the country and profit to the Government.

Circulating Credits and Bank Acceptances.

BY PAUL M. WARBURG, of Kuhn, Loeb & Co., New York City.

In studying and teaching ancient history we lay great stress upon the names of kings and dates of battles while we unduly neglect the more important problem of how the people lived and what were their thoughts and ambitions. It is in considering this phase of history that we perceive most clearly the development of man and the progress of intellectual development, a process as yet by no means completed.

In dwelling upon such thoughts one cannot help recognizing as one of the most striking differences between primitive man and ourselves, that in the daily routine our ancestors took very little for granted, that everything they used and every manipulation they performed, they understood and did from beginning to end. In short, they were dependent entirely upon themselves. On the other hand, there is hardly anything in our daily routine that we use, or do, or even understand, from beginning to end. The activities of one day, even with the least developed of our fellow creatures, are indissolubly interwoven with those of millions of fellow beings whose products we eat or wear or use, and the most surprising feature of this evolution is that we have become quite unconscious of it.

Riding in the subway in the morning while reading our papers, do we think of the men that broke the coal, built the power-house, car and track, and that operate them at the very hour, do we think of the thousand manipulations and inventions that produced our newspaper, and of the hands that wrote, printed, and distributed it? Do we, while we are reading, think at all that we are riding at the rate of 60 miles an hour? Does the tenant of an office on the thirtieth floor think of the thousands of

devices that had to be invented and applied to make the "sky-scraper" safe and practicable? Does he stop to consider what would happen to him if the house were not fireproof, or if he could not rely on the elevators or his telephone?

We have become accustomed to rely completely on the perfection of all these appliances and the normal functions of the thousands of hands that co-operate in serving us during the day, that unless there be a sudden stop of a wheel, we use them without further thought. To this class of appliances that it takes millions to compose and ages to develop, and that we use without thinking, belongs the thing, so important to us all, the thing commonly called "money."

In a modern system we can no longer separate actual money from the many appliances that take its place in our daily routine; they are linked together and have all become essential parts of one big machinery.

The modern banking system has been likened to a huge sky-scraper based on a comparatively small foundation of gold, and the many superimposed stories are represented by the immense number of all obligations payable in gold which, ordinarily, are settled by clearings of credits.

The most evident and direct forms of circulating credits which have taken the place of actual gold are the bank-note—forming a class by itself—and bank deposits, and checks. These are the main tenants of the towering structure. But they in turn have sublet a great many floors to all the other appliances for clearing indebtedness, all of which in the final analysis are being reduced to payments by exchange of bank credits.

Time will not allow to deal fully with the inter-relation and the functions of all these tenants of the building; we shall only casually mention the most important phases.

A modern system aims at establishing standard values for which a broad market can be created, so that assets can be quickly turned into bank credits. This is one of the most fundamental principles of modern banking, of equal portent for depositor and banker. Our most important staples are no longer dealt in in individual lots, which must be personally examined before the bargain can be struck, but they have been standardized and special exchanges have been organized in order to reduce merchandises into bank credits in the quickest way and to offset all purchases and sales so as to reduce to the minimum the actual use of money.

We have achieved the same perfection in dealing with stocks and bonds. While the original part ownership in a business could be transferred only by protracted negotiation and by finding a new purchaser who, after full examination, would take the place of the old owner, evolution has brought about the corporation, issuing stocks and bonds in easily transferable shape, so that these forms of investments and indebtedness have also been mobilized. They, too, have been developed into securities for which large special markets and organizations have been created, enabling the owner to transform his holdings with the greatest possible dispatch into bank deposits. In this respect stocks and bonds have become circulating credits, they are the means of transferring part ownership in, or the indebtedness of, a corporation from one owner to another in quick succession. But while the bank note and the check are clearers of credits on demand, stock and bond transactions are clearers of credits on time, or even for an indefinite period. They are only indirect and secondary.

The most important of the sub-tenants is the commercial paper. In a modern system the promissory note, running for a limited number of months, and representing some kind of a commercial transaction, has been mobilized by adding to it, by indorsement on the back, or by acceptance on the face, the banker's guarantee. Thus the old-fashioned "bill"—existing already in the form of bricks in the age of Hamurabbi—is being transformed into a "bill of exchange," thus an immovable investment is turned into a quick asset. The importance of this evolution is two-fold, because it is just as fundamental for the safety of the individual bank as it is for that of the whole credit banking system. The main assets of a deposit institution ought not to be stocks and bonds, nor loans on stocks and bonds, but commercial paper. But a bank, the deposits of which may be withdrawn on demand at any time, must have assets which can be reduced to bank credits within the quickest possible time and with the smallest possible loss, if any.

If a banking system, like ours, is built up on promissory notes which have no free market, the consequence must needs be that when deposits are withdrawn heavily, or when there is a strong commercial demand for money, stock exchange loans must be called and holdings of securities must be sacrificed, these being the only available liquid assets. This means great economic waste and often calamity, for it is an absolutely perverse system that expects a *normal* investment demand, in times, especially, when money is scarce, to be able to supply a sufficient sum to satisfy all the immense commercial demands of the entire nation. Moreover it follows that prices of securities have to be so far reduced that at bargain, or sometimes panic prices, an *abnormal* demand for securities at home or abroad will be stimulated. This method is not only wasteful, but, as the past has shown us, it is most dangerous. A modern system must provide the means which banks can rely upon to enable them to market their bills receivable, which represent the trade and commerce of the nation. In a modern system this can be done without

appalling losses, there being no question of sacrifice of capital in selling securities, but only a question of difference in rate of interest in selling paper. Moreover, it can be done without creating a panic; since gradual liquidation of commercial paper means a reduction of the volume of all commerce and trade, which is adjusted by co-operation of every toiler and consumer. It is thus spread over 100 million of people, instead of falling back on the holders of stock exchange loans and investors, few in number by comparison. While our system has remained entirely archaic and primitive in this respect, Europe enjoys the full advantages of a highly developed discount system, which averts panics there with as much certainty as we may expect their occurrence with us.

Commercial paper and bank acceptances form the main asset of European banks, these bills have the widest possible market, where millions are exchanged daily with margins of 1-16 per cent. or $\frac{1}{8}$ per cent. in the interest rate, without the necessity of scrutinizing the paper when the bargain is struck. Bills of exchange have been standardized, everybody in all parts of the globe knows what names of the many thousands that appear as endorsers and acceptors are considered as "good delivery," and everybody knows against which names there is discrimination. The daily differences are normally regulated in the case of European banks by means of larger sales of bills receivable or by larger investment in these bills.

The mobilization of the promissory note, the system which enables Europe to transform bills into bank credits as quickly as staples or securities, is the explanation of Europe's success where we have failed.

To insure safety for such a discount system, however, to render it possible and effective, a central reservoir for all the cash of the nation is necessary, as, inversely, for the safety and efficiency of the central reservoir a system of exchanging bills is a prerequisite.

If a system constructed upon credit is to be safe, the first condition is that cash must be less valuable or attractive than the bank credit.

Holding of cash entails the risk of loss or robbery; it is a source of danger, like ammunition which we keep under our roof. Moreover, to keep cash unemployed means a loss of interest, depositor and bank alike must therefore try to turn cash holdings into interest-bearing bank credits with the greatest dispatch and to the largest degree that may be possible and permissible. This alone will allow cash at all times to return freely and rapidly into a central reservoir, as provided by modern financial systems, this alone will allow the central organization to respond freely to any demand for cash, because the latter cannot fail to return through some other channel, unless it be taken for export.

But in order to secure the free flow of cash into a central reservoir it is a prerequisite that there must be absolute confidence (1) that there is enough cash to meet all emergencies, (2) that it will be freely forthcoming when demanded and, last and most important of all, that the banks must be sure that they may be able, in case of need, to build up with such central organization a cash credit upon the strength of which they can withdraw cash, if such may be required from them. It follows then, that, under a modern system, there are two entirely different duties to be performed by the general banking institutions and the central organ: The former must see to it that they can command cash credits to meet their demand obligations, but it is the duty of the central reservoir to see to it that these cash credits be always transformed into actual cash when required.

The means, however, by which banks transform their assets into cash credits with the central organization are the rediscount of bills purchased, local or foreign.

Commercial paper, transformed into bills of exchange easily marketable at all times, forms the means of connection between the central organ and the banks; it con-

stitutes the elevator system of the skyscraper which alone renders the evergrowing tower safe and habitable.

This division of functions and this means of connection between the central institution and the individual banks cannot be too clearly understood:

In Europe the general banks have no cash reserves, they have credit reserves. The duty to transform credit into cash resting on the central organ, it alone is concerned in the holding of adequate gold reserves and in watching that a certain and safe proportion be preserved between the aggregate demand obligation of the nation and its holding of gold. The existence of such a strong supervisory organ and its ability to maintain the nation's credit creates that safety for the circulating credits of the nation, which renders the whole system possible. For it is the confidence in these circulating credits which creates the broad market for money, always flowing where it can earn interest in safety, and it is in turn this free flow of money, attracted or driven away by a higher or lower rate of interest, which protects the central organ. By increasing or decreasing its rate of interest, thus taking a larger or smaller part in the nation's investments in commercial paper, by accumulating or selling holdings of foreign bills of exchange, the central organ exercises a regulative influence which keeps it strong enough to protect each bank individually in case of need, thereby safeguarding the whole nation.

"Safety," from the point of view of banking investments, consists of two elements: the one, the intrinsic value, the other, its market. A consideration of these two factors produces the stipulation of the interest return that the investment must produce.

International money may flow to England and buy three months' British Bank acceptances at 2 1-16 per cent., while for three months English time money it would possibly demand 3 1/2 per cent.; the difference between the two rates showing the difference in value between a quick asset and an investment for a definite period. But, even a comparative rate of 4 and 5 per cent. could not cause international money to invest largely in American commercial paper; since not only is it unsalable, unliquid investment, but it has not been standardized. It is individual and provincial in its character, while the American banks which, knowing the maker of the note, might render it liquid and salable abroad, must not, under present conditions, freely endorse or accept it. Moreover, as long as is lacking with us a central organ that would guarantee its market in case of need and secure at all hazards the transformation of cash credit into cash, foreign money will remain cautious and the interest inducement must remain comparatively exorbitant.

Contemporaneous financial history furnishes us constantly with illustrations showing the superiority of the European system. We have not only lived through the disgraceful collapse of our own machinery, but, quite recently again, we have seen the advantages of European financial methods. During the recent Morocco crisis a war scare developed in France and actual hoarding of gold began; the withdrawals from the deposit banks were at a given moment alarming. But there followed no panic. The Banque de France issued notes freely, the French banks collected their holdings of foreign paper and the general confidence in the Banque de France's power to cope with the situation overcame the fright without the calamities that would have ensued with us.

When France, for reasons just explained and as a means of political pressure, withdrew from Germany more than 200 million marks that temporarily had been invested there, when English and Russian money was called back, when runs began upon some savings banks, Germany had to face a very severe strain. But what happened? The German Reichsbank rapidly increased its credit facilities by about \$150,000,000; moreover, it had accumulated in times of ease vast sums of foreign bills, and when rates of exchange moved up to a point warranting gold exports,

it began to sell these foreign holdings. At the same time a comparatively slight increase in its rate took place which brought new money, mainly American, to Germany's assistance. This inflow of foreign money was increased by the sale abroad of German Treasury notes.

What would have become of Germany without the Reichsbank?

Without the confident reliance that the Reichsbank would be able to meet the situation and without its ability to apply all these various means of defense, general suspension would have been inevitable. It is the elasticity of such a system that renders it safe, and it is the implicit confidence that it inspires, that made our bankers send their money, without hesitation, in spite of a critical situation, in order to secure for a few months a beggarly 1/4 per cent. to 1/2 per cent. interest per annum more than they could have obtained at home. We had no war scare, the country was full of gold in 1907, but rates of 50 per cent. to 100 per cent. could not bring money, because our system—or rather the lack of system—had killed our own confidence in our own credit. We have no credit system, but a discredited system.

The advantage of a big central organ, not run for profit like the general banks, but administered solely for the protection and safety of the nation, is plainly shown by Germany's recent history.

The complete withdrawal of money from "gainful occupation," turning it into idle cash to serve as means of legitimate assistance in times of need (a real and effective reserve in that respect, not a nominal one like our ineffective idle funds, which are termed reserves by a misnomer); the quiet accumulation of foreign bills—less profitable than the German bill carrying a higher rate of interest—could only be brought about and brought into effect by such an institution.

It is the inefficiency and the discredit of our system which severely handicaps us also in our foreign trade; for a foreign purchaser will rather buy merchandise to be paid for in sterling than in dollars and for the shipping of goods purchased abroad, be it South America or Asia, the American merchant has to provide European Bank acceptances, because the acceptance of the American banker, no matter how good his credit, has no market. We pay an annual tribute of millions to Europe for the financing of our trade, which is not only a wilful national waste, but also a blemish on our financial standing.

A wonderful change will take place in all these respects if the bill, now in preparation by the Monetary Commission, will be passed on the lines as suggested by Senator Aldrich.

Without creating a Central Bank—for all the far-reaching banking powers have been eliminated which are characteristic of European central banks—and without fundamentally disturbing existing banking methods, merely by a simple device of federating the now scattered reserves into one general reservoir to be jointly administered for the protection of all, our system will be changed from a provincial, old-fashioned, wasteful and dangerous one into a national, modern, economic and safe structure.

Our system—at present a tottering, top-heavy skyscraper without a solid foundation—the tenants, instead of uniting in constructing a safe substructure, have solely concentrated their efforts on strengthening and fortifying each their own flat—a towering fire-trap, provided with an old-fashioned staircase as the only means of communication for all its disconnected tenants—with one stroke becomes modern and safe. Or, as I said on previous occasions, the 20,000 to 30,000 scattered pails of water, representing our disconnected bank reserves, will be united into one large reservoir, with a system of pipes leading to every house, bringing safety to all by co-operation.

While the solution is simple in principle, it had to be complicated in form; for it had to satisfy even the most suspicious mind that control and abuse of power by in-

dividuals, singly or combined, political or financial would be absolutely impossible, and it had to take into consideration that a modern discount system cannot be created by a stroke of the pen and that, therefore, a new device had to be invented to bring about a safe and effective mobilization of the present form of American commercial paper.

Both will be achieved under Mr. Aldrich's plan.

It is true that we shall have to create a machinery more cumbersome in operation and not quite as far reaching in effect as the European systems, but a careful consideration of all the details convinces the student that a simpler way would not be a safe one.

The plan, if carried out on its present lines, will by process of federation, bring about a centralization of reserve with a guarantee of decentralization of banking facilities. It will strengthen the independence of the smaller banks, and while restricting the National Reserve Association to the smallest possible field of operations, the power given to this association will be large enough to protect the nation in the future. It will bring about the mobilization of our commercial paper and, in encouraging bank acceptances, it will help us to finance our own trade, and to establish in doing so the first basis for the development of an American discount market, a step of the vastest importance for the future of our country. The National Reserve Association will be able to accumulate foreign exchange, and thus to act as a protector of the nation in times of need. It is also to be hoped that some way may be found to enable it from the beginning to meet emergencies by being in a position to sell short treasury bills of the United States.

The National Reserve Association, if enacted into law, will take the monetary system of the United States out of Wall Street, and instead of a rigid system, the little elasticity of which is now based on stocks and bonds, we shall enjoy an elastic system primarily based on commercial paper, bank acceptances, and foreign bills.

I have almost concluded my address without dealing with the bank notes which, as circulating credits—the subject matter allotted to me—ought to have been treated prominently. In beginning to study the subject of monetary reform one is apt to think that the question of note issue is the primary one. After some years of struggling with this problem, one learns to understand that the question of effective reserves and liquid credits is the main question, and that note issue is only a secondary phase and of lesser importance.

If any bank, rediscounting with the Bank of England, Reichsbank, or National Reserve Association, may take gold against its credit balance, there is, from the National Reserve Association's point of view, no difference between this balance and a bank note against the presentation of which gold may be demanded. Bank notes are deposits in bearer form. The liability for bank notes and deposits is the same. For each deposit can be turned into bank notes, and each bank note into a deposit, and inversely, and for the same reason, it is immaterial whether a general bank owns a bank note or a credit balance with the Bank of England, the Reichsbank, the Banque de France, or the National Reserve Association.*

Some of our leading financial papers appear not to have fully grasped this point. Because National Banks are not allowed to count their own notes as reserves, it is argued that also the notes of the National Reserve Association should not be counted as reserves. But the difference is obvious.

*Mr. Aldrich has very wisely, and I believe for the first time in banking history, made the liability a subject of measure and taxation—not alone the note issue as in France and Germany. To my mind the law would be even more perfect if the clauses taxing the note issue were left out entirely. In France and Germany, where an effective check system does not yet exist, note issue is the barometer of expansion, while with us and in England deposits play the more important part.

The National Reserve Association could not count its own notes as cash; returning notes will not be treated as an asset, but be charged off, reducing liabilities. In order to avoid confusion, our present National Bank notes must be considered collectively in this connection. From that point of view National Banks must treat their own notes, like checks on other banks, as clearing values; as assets but not as cash. The notes of the National Reserve Association are liabilities of an independent institution endowed with a huge capital and organized for the sole purpose of providing for the payment in gold of all its liabilities, including its notes. If the balance with such a National Reserve Association is to be counted as cash, as it should be, the note certainly must be counted as cash, too.

When one of our leading financial weeklies advanced the argument that such notes should not be counted as reserves because they are not so counted in Europe, it went far afield. For as we have seen, in none of the leading European countries is there any law requiring general banks to keep cash reserves nor do these banks generally keep more cash than they actually need for their daily business. Neither could it strengthen the general system if they accumulated gold reserves. Quite the contrary, it would interfere with the free flow of gold into the central reserve where, becoming the basis of an elastic system, it can do vastly more for the efficiency and safety of the whole system than if locked away in a single bank. Since we possessed no central organ for the consolidation of our reserves, we had to have laws requiring each bank to accumulate reserves of its own. This archaic and unfortunate method can, however, now be turned to good account. For this direct co-operation in strengthening the reserves of the National Reserve Association—which co-operation, in this form and to this degree, does not exist in Europe—is all the more necessary since, through the lack of a highly organized discount system and through the restrictions placed upon the scope of its operations, the National Reserve Association would otherwise not command the strength and the confidence enjoyed by European Central banks. In other words, with us the elevator service being less perfect—in the beginning at least—the foundation must be so much broader.

The fear that notes counted as reserves would attenuate the basis on which our banking system rests, would apply with equal force to balances kept with the National Reserve Association which, under the new plan, may be counted as reserves. This possibility of attenuation is the very element of elasticity.

It is the function of the National Reserve Association to see to it that all its liabilities—balances and note alike—are fully protected by an ample supply of gold and by a credit so strong that nothing can shake it. But a system without the power to expand, no matter how large its gold holding, remains vulnerable. Elasticity wisely safeguarded—as in this plan—is the basis of confidence and therefore of safety.

Not infrequently one hears the question: If it be true that the National Reserve Association will democratize our system and to a large extent turn the banks' call money into the bill market, taking it away from Wall Street, why should the latter favor the new law?

The answer is plain: This overflow of money, which in times of ease floods New York, and which, when needed, is withdrawn with such vehemence that it causes violent convulsions, is a constant source of danger to that city. While our present system makes New York the undoubted money center and gives to its banks a position of pre-eminence and predominance, this power is possessed only at the expense of a responsibility, which, with our present system, in times of stress brings mortification and humiliation. Wall Street, at present, is a ruler on a keg of dynamite. And, like many an absolute ruler in recent years, it finds it more conducive to safety and contentment to forego some of its prerogatives—thrust upon New York

not by its own will, but as a result of our present laws and conditions—and to turn an oligarchy into a constitutional democratic federation.

But that is not all. We are a nation still in its formative period, full of ideals and ambitious imagination. It is not the hunt for the almighty dollar that prompts men, possessed of millions, to keep on toiling and struggling with nature and with their fellow creatures. It is the youthful and boundless energy craving for constructive success, the joy of creating and the conscious and unconscious desire of taking a hand in the triumphal development of this great country. Our ambitions are great, and it hurts our pride that, while we have become powerful and leaders in many respects, we are an object of contempt and of ridicule when it comes to the question of our monetary system. We cannot become a center of international finance, on a par with European coun-

tries, until we reorganize. If New York has to make some sacrifice in order to achieve this aim, she is willing to do her share, just as every part of the country will have to contribute. Whatever little advantage may be lost in the beginning, the safety and continuity that will be ours will return in many other ways. The United States enjoying a modern financial system will attain that place among the nations which should be hers by destiny, and she will weather in safety and dignity the storms, from within and without, that may be in store for her. A modern financial system will enable the banks fully and safely to finance the future growth of this country and, vice versa, a healthy growth of the country is bound to bring prosperity to the banks. The "sky-scraper" placed on a solid foundation will safely carry many additional stories, and the tenants will be at once secure and prosperous.

The Relation of State Banks, Savings Banks and Trust Companies to Senator Aldrich's Plan.

BY F. H. GOFF, President of the Cleveland Trust Company, Cleveland, Ohio.

The more carefully the plan proposed by Senator Aldrich is considered, the more practicable, ingenious and comprehensive it seems. The National Reserve Association would afford all the advantages of a central bank freed from its evils. The scheme of organization suggested is sufficiently democratic to prevent control by the large financial interests in the moneyed centers. If the recommendation of the Currency Commission of the American Bankers' Association is approved—that the Governor and Deputy Governors be elected by the directors instead of appointed by the President—the possibility of political influence and control would be largely reduced. Should the plan be adopted, the note-issuing power would be centralized, insuring a volume of currency quickly responsive to fluctuating demands. Our bond-secured currency, with its limitations, in time would be done away with. Reserves would be centralized, ready for freest use in times of need. Banks of discount would be able to convert their prime commercial assets into cash without disturbance to business.

The plan admirably provides for every requirement of a properly financed, well-managed national bank. It affords them satisfactory facilities for rediscount at uniform rates throughout the country, if that, indeed, shall be deemed wise. It gives them power to accept commercial paper drawn on themselves; to hold stock in banks doing business in foreign countries and last, but by no means least, provides a market for their \$700,000,000 irredeemable and now somewhat despised 2 per cent. Government bonds. The plan, as originally proposed, gave national banks the right to establish branch banks within the city or town in which they are located and provided for the organization of a new class of national banks having a savings department, which should be authorized to make loans on real estate, and for another class having privileges and functions belonging to trust companies under State laws. As an alternative, it was suggested that the charters of national banks be liberalized so as to permit of their doing a savings and trust business.

It was my understanding that Senator Aldrich had abandoned these ideas, until he submitted his revised plan, which provides that national banks be given the right to receive savings deposits and to make loans on real estate. In an address delivered at the Annual Banquet of the Trust Companies on May 5, 1911, referring to these features of his original plan, he said:

"After the most careful consideration of these several questions, which mean the gradual elimination of banking corporations acting under state charters, I have reached the conclusion that, in view of the diverse interests involved and the

many grave objections urged from every quarter, the obstacles in the way of the adoption of either of these plans are insuperable."

Desirable as it would be from many points of view to accomplish an elimination of State banks to the end that legislation affecting banking interests might be unified and the same methods of supervision and control and the same standards of excellence obtain throughout the country, I concur in the opinion then expressed by Senator Aldrich that, under existing conditions, it is impossible of accomplishment, at least so far as nationalizing trust companies is concerned. It may well be doubted whether the Federal Constitution gives the Government the power to charter corporations to act in a fiduciary capacity. If it does, there can be no question but that the States having the right to determine as to the qualifications of statutory trustees could prevent corporations operating under Federal charters from acting at least in such capacity.

In lieu of providing for new classes of national banks or enlarging the powers of those now existing, the Special Committee appointed by the Currency Commission of the American Bankers' Association suggested that State banks, capitalized savings banks, trust companies and mutual savings banks be permitted to subscribe to the capital stock of the National Reserve Association in the same manner and upon the same conditions as national banks, such subscribing banks to become members of the local association and to have the same rights and privileges therein as if national banks. These suggestions for the most part have been adopted by Senator Aldrich in his revised plan. His views with regard to the desirability of admitting State institutions to membership in the Reserve Association were given in the address referred to, from which I again quote:

"I am convinced that the interests of the public and of existing state institutions alike require that some means should be devised by which all classes should be permitted to participate upon some reasonable terms in the advantages and to share in the responsibilities of the ownership and management of the association. How this can be accomplished in a manner which shall be fair to and answer reasonable demands of all participating banks without trespassing upon the rights and privileges of any is the serious question that confronts us. . . . I am anxious that the state banks and trust companies of the country shall appoint representative committees to confer with the National Monetary Commission in order that the recommendations of the Commission to Congress on this subject should be reasonable, and if possible, satisfactory to all parties."

Mr. James B. Forgan, Vice-Chairman of the Currency Commission, in discussing this matter, has said:

"That these state institutions must in some way participate on equal terms with the national banks in all the benefits of

the proposed plan, seems to me inevitable. Unless they do, the defects in our banking methods, which are as germane to state as they are to national banks, will continue to exist among the great majority of our banking institutions. There is no greater solidarity in the one class than in the other. In times of financial stress, state banks participate with the national banks in the struggle for cash reserves."

If this view shall finally prevail, the status of national banks being left unchanged and full rights of membership accorded State institutions, it would seem as if Senator Aldrich's revised plan, with slight modifications, should be acceptable to State banks discounting commercial paper. To the extent that the laws of the several States creating them would permit, every advantage, privilege and facility afforded national banks may be enjoyed by State banks of discount. If the revised plan adequately provides for all the needs and is satisfactory to national banks, I can see no reason why it ought not to be satisfactory to State banks of the character I have referred to.

If I am correct, but few questions remain to be discussed.

First—Ought the privileges of membership to be extended to State banks having less than \$25,000 capital?

There are about 18,000 State banks, 6,000 having more than \$10,000 and less than \$25,000 capital. About 1,800 of these smaller banks are located in the South; 1,600 in the Middle West; 2,600 in the Far West. Their aggregate capital and surplus is perhaps in the neighborhood of \$100,000,000. For the most part they are serving communities where it would be unprofitable to establish a national bank. While it is doubtful whether many of these institutions would become members of the Reserve Association if the opportunity were afforded, I can see no objection to giving the right of membership to such as have been subject to proper examination, supervision and control by State authorities. It would certainly not only tend to popularize the plan and be helpful in securing its adoption, but lessen the possibility of large financial interests securing control of the Reserve Association.

Second—What facilities for rediscount, in addition to those provided in the plan, should be given State institutions which do not discount commercial paper?

Out of a total of about \$16,000,000,000 deposits, over \$6,000,000,000 are savings. If Senator Aldrich is correct in assuming that it is essential that the Reserve Association include within its membership all the banks of the country, and Mr. Forgan is correct in assuming that unless they shall become members, the defects in our banking methods will continue, the suggested plan for monetary legislation must be condemned as inadequate unless it affords sufficient advantages to savings institutions to induce them to accept of membership. What advantage can savings institutions derive from membership under the proposed plan? There are four ways in which the National Reserve Association can extend credit to its members:

1. It can rediscount paper arising out of commercial transactions having not more than 28 days to run; commercial paper being defined in the revised plan as notes and bills of exchange issued or drawn for agricultural, industrial or commercial purposes. While the language used is somewhat vague, I assume it would be interpreted to exclude obligations issued for investment and to cover only obligations arising out of the distribution of commodities to supply present consumptive demands.

2. It can purchase bank acceptances having not to exceed 90 days to run.

3. With the endorsement of the local association, it can discount paper arising out of commercial transactions having more than 28 days and not exceeding four months to run.

4. Whenever the Secretary of the Treasury, the Governor and the Executive Committee of the National Reserve Association all agree that the interests of the public so require, it can discount the direct obligation of a depositing member, when endorsed by the local association, and secured by satisfactory collateral; the bank receiving the guaranty

being required to pay such commission as may be fixed by the local association.

Savings banks and trust companies restricting their investments to savings bank standards, for the most part, have no paper arising out of commercial transactions, even as defined in the revised plan. The only facilities afforded them would be the right to discount their direct obligation at such times, and at such times only, as the Secretary of the Treasury, the Governor and the Executive Committee of the Reserve Association should unanimously determine that protection of public interests required such accommodation to be given.

The situation can best be illustrated by giving one or two concrete examples. A commercial bank could rediscount an unsecured obligation of the United States Steel Corporation, if you please, having less than twenty-eight days to run, provided only it arose out of a commercial transaction, while a savings institution could not rediscount an obligation of the same company having the same maturity, not arising out of a commercial transaction, although secured by government bonds. A commercial bank could rediscount the note of a farmer given for seed or fertilizer, while a savings bank could not rediscount a note of the same party for the same amount and having the same maturity, although secured by mortgage on real estate worth several times the amount of the loan, if issued for other than commercial or agricultural purposes. Manifestly, if the membership and the co-operation of savings institutions is needed or desired, either Senator Aldrich's plan must be broadened so as to qualify for rediscount assets held by them or the legislatures in many States must repeal existing laws prohibiting savings institutions from investing in unsecured obligations. Until quite recently, at least, it has been generally conceded that savings deposits ought to be invested in loans and securities which are locally recognized as the safest. The belief that savings deposits should, in good morals, be regarded in the nature of trust funds, has induced many states to restrict the character of investments that may be made by savings institutions. It is said that in England, France and Italy, savings funds are largely invested in government bonds and mortgages; in Germany in municipal bonds and mortgages. The Law Committee of the American Bankers' Association has been actively considering whether banks doing both a commercial and savings business ought not to be required to segregate their savings funds and investments.

Conceding, without admitting, that in the panic of 1907, prime commercial paper was found more liquid than well-secured Wall Street loans, it may well be doubted whether unsecured commercial paper will ever come to be regarded in some jurisdictions, at least, as a proper investment for savings deposits. In considering the self-liquidating value of commercial paper, it should be remembered that the panic of 1907 was a money panic and that general business conditions remained undisturbed for some months; that commercial paper was not found to be so satisfactory nor so self-liquidating in the industrial panics of 1873 and 1893, when more comparatively solvent concerns failed. It should also be remembered that stocks, bonds, real estate and collateral loans were freely received as security for currency issued by the Clearing House Associations in 1907 and proved eminently satisfactory. The currency then issued has been said by no less an authority than F. A. Vanderlip, President of the National City Bank of New York City, to have been as safe a currency as National Bank notes.

I seriously doubt whether any plan which penalizes savings banks and trust companies for adherence to standards supported by sound reason and long experience will prove acceptable in the end to the public. If it is essential to the success of the proposed plan that State institutions should become members of the Reserve Association, the plan must be liberalized so as to give such of these institutions, as voluntarily or under legal compulsion adhere to savings bank standards in the matter of investments and loans, the right to use their prime secured loans for rediscount.

I am well aware that it is contended that prime commercial paper is the most self-liquidating asset a bank can have; that it is essential that the assets of the Reserve Association be kept liquid and that to permit savings institutions to use secured loans for rediscount will in some mysterious way further the interests of Wall Street. But so far as I have observed, those who are most insistent that the assets of the Reserve Association be kept liquid have entered no protest to the suggestion that the Association purchase from the National banks \$700,000,000 of irredeemable 2 per cent. bonds which would be absolutely unmarketable in its hands, and when deprived of the circulating privilege, worth not to exceed 70c. on the dollar. I fully agree with the opinion expressed by the Currency Commission that it would be a menace to the establishment of the National Reserve Association on a solid basis to permit the taking over of these bonds unless some definite plan for refunding them is worked out in advance, to which the Government is definitely committed. It is gratifying to find that Senator Aldrich has made careful provision for this in his revised plan.

Those who contend that Wall Street interests will profit if secured loans are qualified for rediscount have failed to take note that the demand is made only in behalf of institutions adhering to savings bank standards in the matter of investment. The only savings institutions in the State of New York are mutual savings banks, and unfortunately, as it seems to me, even under the revised plan, they are to be denied the right of membership. Were they admitted and given all the facilities for rediscounting prime collateral loans equal to the facilities afforded National banks for discounting commercial paper, the amount that would be available for speculative purposes would be a negligible quantity, if all the savings banks in the city of New York were to lend themselves to such purpose, which, of course, is unthinkable.

Third—In view of the fact that members of the local association will be required to guarantee the obligations of discounting members, it is important that membership be restricted to solvent, ably and honestly managed institutions. It is far easier to exclude than to suspend the undesirable if admitted. Mere examinations, either by a State banking department or by the Comptroller of Currency, ought not to entitle a bank to membership as a matter of right. Every applicant should be required to present credentials from the department supervising it, certifying to its condition on the date of the last examination and to the fact that the applicant is in good standing with its department.

Fourth—Ought the privileges of membership to be extended to mutual savings banks?

There are 635 mutual savings banks in the country with deposits aggregating \$3,500,000,000, nearly 25 per cent. of the total deposits of the entire country. Upon what theory are they to be excluded? Is it because they neither need nor desire the protection, which it is assumed membership in the National Reserve Association would afford, or has the decision to exclude them been found the most convenient way, in view of the fact that they would only have collateral loans to offer for rediscount, to escape from the hue and cry against Wall Street. In times of public distrust, savings institutions are peculiarly subject to attack because of the number and character of their depositors. They can, it is true, require 30 or 60 days' notice of withdrawal to be given, but to take refuge under that right is humiliating, if not a disgrace, at least in normal times. A bank enforcing it fails in the supreme test of good banking, which has been said to be the ability to pay all demands in cash.

Nearly 40 per cent. of the total deposits of the country are savings. Under Senator Aldrich's plan practically none of the resources in which savings deposits are invested could be converted into cash except in times of extreme disturbance, when their direct obligations, properly secured and guaranteed by the local Reserve Association, could be used.

Under ordinary conditions protection to savings deposits must result, under the plan proposed, from the conversion of investments representing commercial deposits held by other institutions. I fear too much reliance is placed on the self-liquidating quality of commercial paper and that Senator Aldrich, in his zeal to avoid the appearance of giving any supposed advantage to Wall Street, has entirely overlooked the needs of savings institutions.

If the co-operation of mutual savings banks is essential, the plan must be modified to meet the conditions under which they operate and are powerless to change. Whether secured loans are less liquid than obligations arising out of commercial transactions, is not the only question. The acceptable plan must deal with conditions as they exist and afford the banks of all classes the maximum of opportunity consistent with sound banking to convert their resources into cash.

Fifth—The Currency Commission has recommended that State banks be required to maintain against demand deposits a reserve of like character and proportion as required of National banks in the same locality, trust deposits, savings deposits and liabilities for deposits payable beyond thirty days not to be subject to reserve requirements provided for demand deposits. No suggestion was made by the committee as to what the requirements for such deposits ought to be. In the revised plan Senator Aldrich has provided that time deposits and money held in trust, payable or maturing more than thirty days from date, shall be subject to the same reserve requirements as demand deposits for the thirty days preceding their maturity, no reserve to be required except for such period; savings deposits subject to thirty days or more to be covered by a reserve equal to 40 per cent. of that required for demand deposits in the same locality.

At first glance this seems reasonable and just, but there may be instances where it might prove unreasonable and operate to exclude institutions whose membership should be desired. To illustrate: National banks in central reserve cities are required to keep a 25 per cent. cash reserve in vault. After a thorough and careful investigation, the Clearing House of New York City reached the conclusion that it would be unfair to require the trust companies, in view of the number, character and amount of their clearance items, to maintain such reserve, and it will be remembered that they were admitted to membership under a rule requiring a reserve of 15 per cent. cash in vault and 10 per cent. on deposit with members of the Association carrying 25 per cent. in vault. But for this concession, the trust companies of New York City would undoubtedly have declined to become members of the Clearing House Association. It is possible that failure to lodge power somewhere to make exceptions in the matter of reserve requirements might operate to exclude many, if not all of the larger trust companies in New York City from membership in the Reserve Association, which would be unfortunate. Similar conditions may exist in other reserve centers. I would suggest that instead of having Congress fix the reserve requirements the Executive Committee of the Reserve Association be given power to fix from time to time the amount of reserve required to be maintained by its members for all classes of deposits—savings, time certificates and demand.

If the Reserve Association shall be able to provide for the needs of its members in times of emergency, trade expansion and crop movement, I firmly believe that reserve requirements can gradually be liberalized and within a few years at most entirely dispensed with. Under existing laws \$1,500,000,000 out of a total of \$3,500,000,000 of currency in this country, is required to be locked up in our vaults and made unavailable for any purpose. It is uneconomic and wasteful, the burden falling in the last analysis upon the borrowing merchant, manufacturer and farmer.

I gave at the outset some of the advantages that would accrue to National bank members if the plan were adopted. A summary of the disadvantages State institutions accept-

ing membership in the Reserve Association would labor under until State laws are amended may be of interest:

1. State banks could not accept paper drawn on themselves.
2. In many States they could not establish branches.
3. They could not own stock in banks doing business in foreign countries.
4. In most jurisdictions they would be compelled to maintain greater reserves against their demand deposits than is required by the law of the State where they are located.
5. While National banks would not be required to keep any reserve for time deposits not payable within thirty days, State banks in most jurisdictions would be compelled to do so.
6. While National banks would only be required to keep a reserve for savings deposits equal to 40 per cent. of that required for demand deposits, which in reserve cities would be 10 per cent. and in non-reserve cities 6 per cent., State banks in many States would be compelled to maintain a 15 per cent. reserve against savings liabilities.

7. Funds deposited with the Reserve Association could not be counted as reserve.
8. Notes of the Reserve Association held by State banks could not be counted as reserve.
9. State banks must agree to submit to such examinations and to make such reports as may be required by Federal law or by the local association.

While the disadvantages at the outset would be many and burdensome, I am confident the Legislatures in the several States can be relied upon to promptly enact legislation correcting these inequalities.

I have already expressed the opinion that the plan proposed by Senator Aldrich ought to be satisfactory to State banks of discount. If it shall be amended so as to give mutual savings banks and the smaller State banks the right of membership and trust companies and savings institutions adhering to savings bank standards adequate facilities for rediscount and provide for making proper exceptions in the matter of reserve requirements, the plan submitted, in my judgment, should receive the unqualified support and approval of all State institutions.

Interest Rates, Earnings, Dividends and Taxation.

BY BENJAMIN STRONG, JR., Vice-President Bankers' Trust Company, New York.

The purposes to be accomplished by monetary legislation are stated by Senator Aldrich in his letter of January 16 to be the "unification of our banking institutions into one comprehensive system," the establishment of a "scientific basis for bank note circulation," and the "creation of a discount market similar to the discount markets in Europe." The keystone of the proposed plan is the assembling of a large part of the scattered bank reserves into the custody of the Reserve Association, thus making them actively useful.

As the reservoir of the country's reserves, the Association must be able so to control its note and deposit liabilities that its reserve will at all times be adequate to permit extensions of credit, both ordinary and extraordinary. At the same time it must be able to exert a sufficient influence upon the exchange and money markets to contract its credit extensions and increase its reserves when necessary and without harmful influence upon business.

The provisions of the plan as to taxes, earnings and dividends, and the possible relation of the Association to rates of interest throughout the country all co-ordinate with the broad design of the organization.

Having no precedent in banking history for the radical readjustment of the relations and methods of a class of institutions controlling such vast resources as do the banks of this country, that is contemplated in the National Reserve Association, it was essential that its limitations and powers be reasonably safe, clearly defined and liberal enough to insure the accomplishment of the objects for which it is created. As will be seen, the safeguards provided in the plan operate generally as restrictions upon expansion of the Association's liabilities, and reduction of its reserves, while most of the powers vested in the management may be directed toward strengthening the Association's reserves. The proposed methods of taxation govern every possible from of expansion, and the limitation of the distribution of profits to shareholders and to surplus should cause the management to seek a record for conservatism rather than for money making. As it is intended that the Reserve Association shall maintain the surplus reserve of the whole country, such provisions are most important.

The powers conferred upon the management in the exercise of which it may strengthen its reserves are: The power to borrow gold; authority to fix an uniform dis-

count rate, and authority to purchase and sell foreign bills of exchange and foreign Government obligations.

An analysis of the disposition of earnings, the methods of taxation and the probable relation of the Association to the domestic and foreign money markets all lead to the belief that the Reserve Association will be a conservative and trustworthy custodian of the country's lawful money reserves.

As to the earnings of the Association and their distribution, I suggest the following assumed statement of the possible condition of the Reserve Association at the end of say one year, as stated by one of our noted financiers in an address delivered at Nashville last May:

ASSETS.	
Lawful money received for capital	\$100,000,000
" " " " government deposits	100,000,000
" " " " bank deposits.....	500,000,000
Government bonds taken over.....	500,000,000
	<hr/>
	\$1,200,000,000
LIABILITIES.	
Capital	\$100,000,000
Government deposits	100,000,000
Bank deposits	500,000,000
Circulating notes	500,000,000
	<hr/>
	\$1,200,000,000

No amount has been allowed for capital subscribed by State institutions. The capital stock of the State institutions which would be eligible for membership could not exceed \$803,000,000, the present combined capital of such institutions, but would be very much less owing to the fact that of the 12,000 odd State banks and trust companies whose capital is included in these figures, nearly 7,000 have not the requisite capital of \$25,000.

Solely for the purpose of illustration we will assume a condition for the Association, after some years of operation, as follows:

ASSETS.	
Lawful money received for capital	\$125,000,000
" " " " government deposits	100,000,000
" " " " bank deposits.....	625,000,000
Government bonds taken over.....	700,000,000
Investments and discounts.....	300,000,000
	<hr/>
	\$1,850,000,000

LIABILITIES.

Capital	\$125,000,000
Government deposits	100,000,000
Bank deposits	625,000,000
Circulating notes	700,000,000
Deposit and note liabilities arising from investments and discounts	300,000,000
	<hr/>
	\$1,850,000,000

In this estimate is included an increase in capital and deposit liabilities, as well as circulation to cover a possible admission of State institutions, and a larger discount and investment account is indicated than may arise for many years. Based upon this assumed condition the earnings should work out in round figures about as follows:

EARNINGS.

3 % on 700,000,000 U. S. 3's.....	\$21,000,000
4½% " 100,000,000 discounts	4,500,000
3½% " 200,000,000 investments	7,000,000
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	\$32,500,000

DEDUCTIONS.

1½% on 700,000,000 U. S. 3's.....	\$10,500,000
Expenses Main Office and 15 branches.....	6,000,000
" note issues (about double present cost).....	2,000,000
	<hr/>
	\$18,500,000

This result, although allowing for changes in the monetary plan since the estimate heretofore referred to was made, is substantially the same. The stockholders might receive a dividend of \$5,000,000, and there would be left for surplus \$4,500,000, and for the Government \$4,500,000, total \$14,000,000. It is quite apparent, therefore, that the disposition of the earnings of the Association may become an important question immediately upon its organization.

Credit institutions are influenced in their operations by two considerations, profit and safety. In this plan the ability to make profits is subordinated to the necessity for safety. Very wisely a limit has been placed both upon the amount of dividends to be paid to the subscribers and the amount of profits to be added to surplus. By limiting the amount of dividends and surplus, incentive to large profits is removed, and no pressure of opinion either from the public or stockholders should induce the management of the institution to allow undue inflation or extend its operations for profit beyond the point of conservative action.

The attention of the country will be focused upon the condition of the Reserve Association, and its earnings will be a subordinate consideration, as is the case in Germany, France and England.

Were the surplus to be increased beyond a moderate maximum fixed amount, subscribers to the stock, in later years, at a greater book value, would realize an increasingly reduced interest return as compared with older stockholders, unless adjustments in the dividends were made which plan would seem impracticable.

The Bank of England has established by long precedent, a fixed rest or reserve of approximately £3,000,000, in excess of which amount profits are distributed to the shareholders. The dividends paid by the Bank since 1844 have been from 7 per cent. to 11¾ per cent., in recent years 9 per cent. Eliminating its own notes held in its Banking Department, the Bank of England shows roughly a net earning power of 1.3 per cent. on all of its assets and 2.2 per cent. on the assets which are earning interest, assuming that all of its earnings have been distributed. This compares with the assumed earnings as above suggested of ¾ of 1 per cent. on all of the assets of the Reserve Association, and 1.4 per cent. on the assets which are earning interest.

The Bank of England earns roughly \$6,500,000 to \$7,000,000 on \$500,000,000 assets, against a forecast of earnings for the Reserve Association of \$14,000,000 on \$1,850,000,000 of assets.

No more difficult problem could have been presented to

the Monetary Commission than that of devising a suitable check, by means of taxation, upon expansion of the note and other liabilities of the Association. The banking business of this country has about doubled in the last decade, and an arbitrary tax, based upon a fixed excess of circulation, would be almost certain in time to cause distress and embarrassment, if, as seems probable, our growing commerce results in a continued growth in our banking requirements. It has, in fact, been calculated that had a tax upon the basis proposed in the first plan submitted by Senator Aldrich been applied to our bank note circulation about seven years ago, a portion of the normal note issues in circulation today would be paying a tax of 6 per cent. There are three taxes proposed by the plan: The first is based upon percentages of deficiency in the amount of the Association's reserves. For each 2½ per cent. that the reserve falls below 50 per cent. of net demand liabilities, a tax at the rate of 1½ per cent. per annum is to be paid to the Government upon the amount of such deficiency. Further consideration may develop necessity for increasing the amount of such tax, or possibly starting the tax at a smaller rate and increasing it as the amount of deficiency increases. While there is no precedent in Europe for the imposition of a tax based upon the *percentage* of reserves held, the plan is so simple and appears to be so scientific in its effect that it should meet with approval. It must be borne in mind that emergency measures are generally applied to bank crises after the worst injury has been done. This was true in the three instances when the Bank Act was suspended in England. The suggested form of taxation should enable this country to meet a crisis without the necessity of an emergency measure, as Germany has done recently through the power vested in the Imperial Bank to expand its circulation. To meet the demand upon it the Imperial Bank has issued 500,000,000 Marks in excess notes upon which it has had to pay a tax of 5 per cent., but by doing so in the ordinary course of business a crisis never developed. When the pressure was over the excess issue immediately began to be reduced and the same phenomena should occur under the Association plan, provided the amount of the tax is reflected in a higher bank rate.

The second tax provided in the plan is applied directly upon such amount of circulation in excess of \$900,000,000, as is not covered by 100 per cent. lawful money, until the circulation reaches \$1,200,000,000, after which the tax is 5 per cent. This is possibly a wise limitation, necessitated by inability at this time to forecast conditions which may arise in future years. It may, however, prove to be burdensome. There is certainly difference of opinion among bankers in this country as to the wisdom of an absolute limitation upon circulation either by fixing the maximum amount permitted, or by applying a tax upon circulation in excess of a fixed amount. This tax, however, does not interfere with the further extension of note issues, if fully covered by gold, and the Association would still be able to receive gold and issue its notes against it to an unlimited amount.

The provisions of law as to the taxation of unusual note issues by the principal banks of Europe are briefly as follows:

The Bank of England has a fiduciary circulation limited to the exact amount of £18,450,000. Beyond that, notes must be covered in full by gold or silver coin or bullion. Three times since 1844 the Bank Act has been suspended, although it was only necessary in one instance to issue additional fiduciary notes. The tax imposed by the Government has simply been the amount of net profits realized upon such issues. The Bank of France is limited to a maximum note issue of 5,800,000,000 Francs. It may not exceed this amount even with 100 per cent. cover in gold, and there is no provision for an emergency circulation subject to an emergency tax. The Imperial Bank of Germany may issue its notes to an unlimited amount, free of tax, if fully covered by bullion, coin or lawful money.

It may also issue, free of tax, up to an amount of 750,000,000 marks in excess of the bullion, gold coin and lawful money held by it, or an unlimited further amount subject to a Governmental tax of 5 per cent., provided such excess is covered by Government securities and short notes and bills, but at no time may the total note issues of the Bank exceed three times the amount of lawful money held.

The first two plans of taxation should, as designed, provide an effective check upon expansion by causing a higher rate and its resultant curtailment of loans. Actual contraction of liabilities should soon follow, as the paper carried by the Association would not be subject to removal. As soon, therefore, as the decrease in new loans exceeded the amount of maturing bills, a contraction in liabilities would commence.

The third tax provided by the Monetary Plan consists of a "franchise" tax of $1\frac{1}{2}$ per cent. annually upon an amount equal to the par value of the 2 per cent. Government bonds transferred to the Reserve Association by the subscribing banks. The Government is asked to increase the rate on its 2 per cent. bonds to 3 per cent., thus giving the Association an investment of a market value about equal to the price at which it takes the bonds over. At the present time the Government pays 2 per cent. interest on its bonds and receives from the banks one-half of one per cent. upon the amount of their circulation. Approximately the same result is realized to the Government by this plan. Were it not for such an adjustment the bonds taken over by the Reserve Association would have a market value upon an investment basis estimated at 70 per cent. of their par value. The shrinkage in the value of this asset would be possibly \$200,000,000, or nearly double the assumed paid-in capital of the Association. This tax, of course, has no relation to the reserves of the Association, and its effect is simply to reduce a large part of the Government debt to an annual net interest charge of $1\frac{1}{2}$ per cent.

Of more importance to the country as a whole will be the relations of the Reserve Association to the money markets, and the effect of its operations upon interest rates. The magnitude of the plan will be realized when we consider the possible loan contraction resulting from the payment of \$100,000,000 lawful money to the Reserve Association for its paid-in capital. For instance, if every subscribing bank were loaned up to its limit, figured upon the 14 per cent. average of lawful money reserves now held throughout the whole country, this would theoretically call for a contraction of about \$700,000,000 in loans unless offset by other provisions of the plan, or by the operations of the Reserve Association itself. As partly offsetting the effect of such payment, there will doubtless be released a considerable amount of lawful money now held as reserve for savings and time deposits, upon all of which reduced reserves are permitted by the revised plan. Any further net contraction caused by payments for the Reserve Association's capital stock would probably be offset by the discounts of the Association soon after its organization, and no disturbance of rates should result.

The plan provides that "The rates of discount which the National Reserve Association shall have authority to fix from time to time shall be published, when fixed, and shall be uniform throughout the United States." It further provides that the Association shall have power to "contract for loans of gold, coin or bullion," also that the Reserve Association shall have power to purchase from its subscribers, and to sell with or without its endorsement checks or bills of exchange payable in foreign countries. These are powers in the exercise of which the Reserve Association may in time be expected to exert an important influence upon interest rates. A uniformly low rate of interest cannot be expected in this country for a long time to come, but greater stability in interest rates, particularly in our money centers, might result as soon as the Reserve Association becomes active. This would enable those engaged in commerce to anticipate with greater certainty the cost of their credit requirements and should make normal busi-

ness safer to carry on. French economists, commenting upon the unique record of the Bank of France, contend that the welfare of the commerce of France has been conserved and protected by the maintenance of a low and uniform rate of interest.

To the forces already mentioned, which would tend toward more stable interest rates, must be added the wonderful power of expansion that the Reserve Association would possess.

In the second statement of conditions given it is assumed that the Reserve Association before making any discounts or investments might have total deposit liabilities of \$1,425,000,000, upon which a 50 per cent. reserve, after deducting one-half of the Government bond holdings, would be \$537,500,000. The lawful money held was \$850,000,000, or \$312,500,000 in excess of 50 per cent. of its net liabilities. Were the bank to extend credits, thus expanding its deposit and note liabilities to the maximum amount possible without incurring liability for tax upon either of the two plans provided, it could at once add \$200,000,000 to its circulating note issue, thereby reducing its surplus reserves \$100,000,000. The balance, \$212,500,000, might still serve as 100 per cent. cover for a like amount.

The extent to which this vast credit would be employed would depend entirely upon the developing needs of the country as expressed in the discount rate, for as already stated there would be no temptation to the management to expand its liabilities for profit and it would consequently be used only as a governor to interest charges.

Under our present system (comprised of 26,000 individual units without cohesion) there is a greater divergence of interest rates in various sections of the country than can be accounted for by the difference in strictly local conditions. Credit operations between the banks are now effected through individual alliances and relationships, instead of through a broad market for commercial paper and bank acceptances. This partly accounts for the high rates that have ruled in certain sections of the country remote from financial centers, for our system is so rigid and the provisions of our present banking law so inadequate that it is now repugnant to the country banker to show an account of borrowed money in his statement. The Association plan, carrying with it a system of bank acceptances and encouraging the rediscounting of certain classes of paper will cure such objections to the employment of the credit of country banks for the purpose of making provisions for the needs of their customers. The introduction of a system by which bank acceptances and short time commercial paper may be freely moved from one part of the country to another should, in time, exert an influence upon money rates largely favorable to interior institutions.

The influence of bank officers will probably be exerted toward the creation and accumulation of a larger volume of short time mercantile paper, which will be susceptible of discount among banks and rediscount with the Reserve Association. Such paper will pass from the country bank to the reserve bank, and will be considered by the latter its choicest asset by reason of its convertibility through the Reserve Association. This class of paper will then become the secondary reserve of the banks of the country in place of demand Stock Exchange loans which largely constitute such reserve today. These loans are made with the expectation that in the early Fall they will be largely recalled, and the proceeds used for crop movement in the West and South. The same inducements which have made such loans desirable, namely, realization of interest and availability, will prevail to as great and probably a greater extent in the case of bank acceptances and short time commercial paper with the Reserve Association in operation, and it is only natural to suppose that the result will be the gradual accumulation of bills of short maturity in place of Stock Exchange loans and the building up of a new form of secondary reserve. It may be found that these changes take place slowly and that while the discount

account of the Reserve Association will gradually increase, yet its principal primary transactions will be the accumulation of foreign exchange. Its position with reference to the importation of gold, as its business develops, will necessarily require the accumulation of such exchange, and its hold upon the discount market will be influenced more or less by the strength of its foreign relations. It would seem natural to expect the bank rate of the Association to follow, to a certain extent, the same position relative to open market rates in this country (open market rate would be the discount rate for commercial paper and bank acceptances) that has prevailed in France and England between bank and open market rates. It has been found in both of these countries that the rate of discount in the open market has generally been lower than the official rate of the bank. However, when it has been necessary for the Bank of England to check withdrawals of gold or to attract gold to the bank, it has assumed control of the open market rate for such time as conditions required, and it can safely be assumed that the Reserve Association with its vast resources could upon occasion

wield the same power over our open market and make its rate effective.

The necessity for such control will be particularly felt in New York where the adjustment of our foreign exchanges and the settlement of balances in gold are principally effected.

It is plain to be seen, without further discussion, that the provisions of the Association as to taxes, earnings, dividends and the probable effect of the proposed organization upon interest rates in this country are not only of the utmost importance, but that they have been given due consideration by those who prepared the plan and that they are aimed to encourage and conserve the business interests of the people of the United States.

Gentlemen, this Reserve Association is a magnificent conception. If Congress permits its organization in its present form, its destiny will be in your hands, for you will own and manage it. When that time comes, the highest prize to be gained by the American business man will be the privilege of participating in the management of the National Reserve Association of the United States.

The Mobilization and Control of the Reserves of the Country.

BY JAMES B. FORGAN, President of the First National Bank, Chicago, Ill.

The lack of proper economic control of the reserve money in the United States is the most vital defect of our present banking system. It is the most serious weakness of the banks individually and collectively in their relation to the public. It affords a constant source of anxiety to bankers and in emergency becomes the prime cause of panic. Other benefits anticipated from suggested banking legislation are secondary and incidental to those that will be derived from the correction of this, the greatest defect.

Our present system makes each bank responsible for the maintenance, control and custody of its own fixed proportion of lawful money. Under this requirement the reserves of the country are divided into as many separate portions, and put under as many different controls as there are individual banks. The result is that the legal reserve money, which could be massed and mobilized for the effective protection of all, is distributed for the ineffective protection of individual banks.

In times of panic the money reserves so distributed, although more than ample if mobilized and properly controlled, are not sufficient to protect the situation until the aggregate amount of them has been abnormally increased by the importation of gold and by the liquidation of loans. This process, causing financial disturbance and business distress, continues until the reserves become quite unnecessarily large, as I shall show later by statistics.

On the first suggestion of financial trouble, the responsibility placed upon each bank of maintaining its own fixed portion of reserve and the necessity it feels for increasing the amount throws them all into a state of demoralization, and each one strives with all the rest, for the reserve money deemed necessary for its individual survival.

Just when, were their reserves under proper economic control, the banks would be looked to as the mainstay and support of a doubtful business situation, for lack of such control, they fail to inspire the public confidence that should be reposed in them and fail even in the performance of their ordinary functions. They disintegrate when they should coalesce. They display individual weakness when they should demonstrate united strength.

Their individual scramble for reserve money withdraws it from the centers and scatters it widely just when it should be mobilized and controlled for an exhibition of strength. Furthermore, lacking the strength, begotten of unity, and fearing that such individual reserve strength

as they may have will soon be exhausted, our banks in critical times reduce loans and almost discontinue the performance of their principal function, that of exchanging credits with the business community. Thus, under unfavorable business conditions, they become the cause of panic, instead of being in a position, as they would be under the proper mobilization, protection and control of their cash reserves, to render the assistance necessary to allay fear, tide over temporary difficulties and prevent the upheavals to which we have become so accustomed that we erroneously regard them as periodically inevitable.

Probably the most vivid description that has been written of this vital defect in our present banking system and of the futility of our disintegrated and widely distributed reserves in the time of financial stress comes to us from the other side of the counter. I refer to Mr. A. B. Stickney's letter published in the *New York Times* on December 16, 1907, when our latest panic was at its acute point. Mr. Stickney, as you know, is not a banker but a prominent railway official. He wrote:

"Some of the statistics contained in Mr. Ridgely's report, which has just been published, when analyzed and compared with other banking systems, prove most conclusively the necessity of the central reserve bank which he advocates.

"It appears that on August 22 the 6,650 National banks of the country held deposits amounting to \$4,755,000,000, and held for 'statistical purposes' actual cash reserves amounting to \$552,000,000, while all the banks in England in October, 1901, the last date at my immediate command, held \$3,732,000,000 in deposits against an actual cash reserve of only \$185,885,000 in gold in the Bank of England.

"With this enormous reserve for 'statistical purposes' of \$552,000,000 in gold all the banks in the United States were compelled to suspend specie payment in October.

"With these facts before me, the question arises: Do the banks in this country possess any reserve in any true sense of the word 'reserve'?

"The units of a nation's military reserve are its able-bodied fighting men, but as long as these fighting men are scattered over the country, unorganized, they constitute no military reserve to defend the country against mobs, insurrections or the invasion of the public enemy.

"So, if these units of the military reserve of a country are organized into 7,000 small bands, under the command of 7,000 independent captains, for the purpose of protect-

ing their individual localities, but absolutely refusing to leave their locality or engage in the general defense or in the defense of any other locality, owing no allegiance to each other or to any superior officer, they would in no proper sense of the word constitute a military reserve.

"The present condition of the so-called bank reserves is exactly similar. Its enormous units, consisting of over 552,000,000 of gold dollars, are unorganized, scattered in insignificant banks, each commanded by an independent captain, who is intent upon taking care of himself, who refuses allegiance to any superior officer, and refuses to go to the defense of any other bank when beset by the public enemy—distrust.

"These independent captains not only refuse allegiance to any superior officer and refuse to go to the defense of any other bands, but they are continually making efforts to increase their own band by depleting the forces of the other captains.

"Under such circumstances, can the \$552,000,000 be properly considered as bank reserves, any more than the larger number of dollars which are contained in the pockets of the people?

"On the other hand, had this enormous amount of gold, constituting a huger pile than has ever been aggregated in the history of commerce, been held in a great central reserve bank, like the Bank of England, or the Bank of France, available for defense against the attack of distrust and panic in any section of the country, it is beyond question that the banks in this great country, instead of occupying their present humiliating position, would now be on a gold basis, capable and willing to extend all the necessary credits required by the vast commerce of the nation.

"A London banker recently wrote me as follows:

"It is ridiculous that with £300,000,000 of gold in the United States, as compared with £30,000,000 in the Bank of England, the great American nation should be reduced to such a pitiful pass."

Lest these descriptions should seem exaggerated or inaccurate let me give you some statistics showing what actually took place during the panics of 1893 and 1907.

On May 4, 1893, the legal tender money held by all the National banks in the country amounted to 16.9 per cent. of their net deposits. By July 12, when the next Comptroller's statement was published, this percentage was increased to 17.2 per cent. By October 3, the date of the next call, it had increased to 22 per cent., and by December it reached 23.2 per cent., an increase of 6.3 per cent. during a panic period of seven months.

The liquidation of net deposits by the banks outside of the reserve and central reserve cities, between May 4 and October 3, 1893, amounted to \$203,000,000, and notwithstanding this enormous liquidation of their liabilities, amounting to 21 per cent. of their net deposits, the aggregate amount of their lawful money in their vaults was increased by about \$7,000,000, and they had on hand at the end of the scrimmage lawful money amounting to 15.2 per cent. of their deposits. This was more than the percentage of legal reserve required, notwithstanding the facts that three-fifths of it may be kept on deposit with legal reserve agents, and that under normal conditions one-half of it is usually so kept. Their legal reserves, including their balances with reserve agents, were 30 per cent. of their deposits, being double their legal requirements.

During the same period the reserve city banks liquidated \$75,000,000 of their net deposits and practically held their own as to the aggregate amount of their lawful money on hand. They used \$23,000,000 of Clearing House loan certificates, and thus increased the percentage of their cash on hand to net deposits from 16.8 per cent. to 19.4 per cent.

During the same period the banks in the central reserve cities liquidated nearly \$60,000,000 of their net deposits and at the same time increased their lawful money on hand by

\$20,000,000 and the percentage of it to net deposits from 28.2 per cent. to 36.9 per cent. In order to accomplish this they imported \$50,000,000 of gold and had in use \$38,000,000 of Clearing House loan certificates.

Between May 4 and October 3, 1893, a period of five months, during which panic prevailed, the National banks of the country liquidated \$337,000,000 of their net deposits and increased their actual holdings of lawful money by about \$25,000,000. To accomplish this they put in use \$61,000,000 of Clearing House loan certificates and imported \$50,000,000 in gold, \$20,000,000 of which got away from them. Some of this may have been absorbed by the State banks, but the probabilities are that a large part of it was locked up by those, who, through fear, had withdrawn their deposits. The enforced liquidation of deposits was therefore almost entirely accomplished by a corresponding enforced liquidation of loans, which were reduced during this same period to the extent of \$318,000,000.

In 1907 the same thing occurred. Between August 22, 1907, and February 14, 1908, the National banks liquidated \$218,000,000 of their net deposits. During the same period they increased their specie and legal tenders by \$88,000,000. They imported \$116,000,000 of gold, received \$75,000,000 of gold on deposit from the Government, and put in use \$75,000,000 of Clearing House loan certificates, which enabled them to liquidate their loans to the extent of \$257,000,000.

The banks outside of the reserve and central reserve cities liquidated \$166,000,000 of their net deposits by calling in and enforcing liquidation of \$176,000,000 of their loans, while at the same time they increased their legal reserve money on hand by \$33,000,000.

These figures are impressive, but they tell only half the story, for they relate only to the National banks which do less than half the banking business of the country. If similar statistics were available for the State banks the aggregate figures would be doubled.

There can be no doubt then that in meeting a financial crisis the banks do not rely upon nor can they use the cash reserves which the law arbitrarily requires them to keep on hand ostensibly for that purpose. Instead of being able at such a time to use their reserves they are compelled to curtail the credit of their customers, to enforce liquidation of loans and to enter into a scramble among themselves and with foreign banks for the gold necessary to strengthen their individual holdings of reserve money. And by this scramble they upset the financial equilibrium of the world.

Doubtless you have heard the story of the hospital superintendent and his emergency beds. It illustrates very aptly our action in an emergency. This superintendent was required by law to reserve a certain number of rooms in his hospital for an emergency. One day a building in course of construction in the next block collapsed, maiming a considerable number of the workmen. The people of the neighborhood hurriedly carried the poor fellows to the hospital. The superintendent received them as long as he had ordinary beds to put them in, but kept the emergency rooms locked. He then told the people he could not take care of any more patients, and on being reminded by a nurse that the emergency rooms were not in use, he said: "Why, we cannot use these, the law requires us to keep them for an emergency." That, of course, seems highly absurd, but the practice enforced on us by our banking law is even more so, for when in a financial emergency we reach the legal limit of our reserves, we not only keep the doors of our legal reserve rooms locked, but we throw our weakest patients into the streets and increase our reserve capacity even beyond the arbitrary requirements of the law.

The financial loss to business concerns through the enforced liquidation of their credits during these periods of panic must have been enormous in the aggregate. Those who weathered the storm not only suffered loss through the process of liquidating and the consequent depreciation in the realizable value of their assets, but must have met

directly with large loss as creditors of those who failed. The amount of such loss, direct and indirect, to those who survived as well as to those who failed, it is impossible to estimate, but a vivid impression as to the extent and far-reaching effect of such loss is made on one's mind by a study of the statistics of business failures as furnished by the commercial agencies. The statistics of failures for the past twenty-four years and a comparison of them in years of panic with those in years of normal conditions show as follows:

Comparative statistics of failures in the United States between years of panic and years of normal conditions:

Particulars.	In panic years 1893, 1896, 1907, 1908.	Twenty normal years from 1887 to 1910. Panic years omitted.
Average yearly number of failures.....	13,728	10,945
Average yearly amount of actual assets of failed concerns.....	\$208,900,000	\$73,040,000
Average yearly amount of total liabilities of failed concerns.....	327,100,000	141,880,000
Average yearly percentage of assets to liabilities	63.10%	51.30%
Average yearly percentage of failures to the number of concerns in business....	1.12%	.95%

It will be observed that in panic years the relative amount of assets to liabilities was increased to 63.1 per cent., against 51.3 per cent. in normal years. When it is borne in mind that bankruptcy causes a much greater shrinkage in the realizable value of commercial assets in panic than in normal years, and that such shrinkage runs from 25 per cent. to 50 per cent., or even more, the abnormal percentage of assets to liabilities shown in panic years clearly indicates that a large part of the increased number of failures in these years were of solvent concerns, and were caused by enforced liquidation and by the curtailment of their bank credits.

How different from our method of meeting an emergency is that employed by European banks. In every country in Europe, whose banking system the National Monetary Commission investigated, it was found that the practice is just the reverse of ours. They meet emergencies by expansion of credit, we by contracting it; they increase their loans, we curtail ours; they have facilities for so doing, we have none.

Take Germany, for example: On September 23, 1907, at the time of their commercial crisis and our panic, the cash on hand of the Imperial Bank was \$236,797,000; on September 30 it had declined to \$199,025,000, a decrease in one week of \$37,772,000. During the same week the loans and discounts rose from \$289,750,000 to \$391,637,000, an increase of \$101,887,000; and the note circulation rose from \$339,625,000 to \$433,437,000, an increase of \$93,812,000. On December 23, 1907, the cash on hand was \$196,588,000, and on December 31 it had declined to \$187,306,000, a decrease in that week of \$9,282,000. During the same week the loans and discounts rose from \$340,337,000 to \$441,275,000, an increase of \$100,938,000; and the note circulation rose from \$372,637,000 to \$447,925,000, an increase of \$75,288,000.

During the last week of September, this year, when monetary conditions were disturbed by the Morocco scare, the specie of the Imperial Bank fell from \$264,100,000 to \$236,300,000, a decrease of \$27,800,000; while during the same period the loans and discounts rose from \$308,300,000 to \$445,500,000, an increase of \$137,200,000, and the note circulation increased \$183,800,000.

In a crisis our system provides no method for maintaining mutual confidence between the banks and the public. The banking business is based on confidence, and confidence must be mutual. The public never will have confidence in the banks during financial crises until facilities are provided in our banking system that will enable the banks to protect themselves in panic times. The primary cause

of panics is the requirement in the National Bank Act that each bank must hold in reserve for an emergency a fixed percentage of lawful money, which it is prevented by the same law from using when an emergency arises. No facilities are provided, nor are methods suggested, in the National Bank Act by which the banks in a crisis may protect their reserves and maintain the legal percentage required, except the fatal provision that while their reserves are impaired they shall make no new loans to their customers.

The percentage of actual cash reserves to deposits carried by each bank becomes fixed in the public mind as the sole measure of its ability to pay its deposits, and practically such it is under our defective system in times of panic.

For example, a bank with \$100,000 deposits is required by law to keep on hand \$6,000 in lawful money. Its depositors, measuring ability to pay its deposits by this small percentage of available money, take alarm whenever anything occurs foreshadowing financial trouble, and many of them decide to get their money out of the 6 per cent. cash on hand while it lasts. Against such an attack the bankers, not knowing where or when it will end, have only one resort, *i. e.*, to increase at any cost their individual holdings of reserve money. This produces a scramble among the banks themselves and entirely changes the relations existing between them and the alarmed public. Mutual confidence which had previously controlled such relations is shattered and panic prevails.

My early banking experience was under the branch bank system, and I know that no such thoughts or fears disturb a community whose banking facilities are supplied by a branch of a bank with large cash reserves at its central office. The thoughts of the local customers of a branch bank are never directed to the amount of lawful money it may have in its vault. From time to time they see the statements made by the parent bank, and realize that there could be shipped promptly from the large reserves it carries sufficient money to pay all the deposits at the branch. The customers are concerned only in having the branch keep on hand sufficient acceptable circulating medium for the payment of checks as they are presented. This the branch does by carrying a sufficient supply of the parent bank's notes. It requires only such lawful money in small denominations as is needed for small change.

Under the proposed plan for a National Reserve Association the minds of the local depositors in our banks would be diverted from the small lawful cash reserves they individually maintain. Attention would be directed, rather, to the fact that the banks were affiliated with a central association, maintaining and controlling for them their lawful reserves and standing ready to supply them with its circulating notes whenever necessary. The plan suggested will therefore afford our banks the principal advantages of the branch banking system, without surrendering their individuality of ownership, their interest in local affairs or the local control of their business.

In order to ascertain what power the National Reserve Association would have to mobilize and control the reserves of the country under ordinary conditions and to utilize them in a crisis for the protection of the banks and through the banks for the protection of the public, I have prepared what might be called a prospectus of the institution. The figures are purely prospective and probably about as accurate as those of the average prospectus of any unorganized business undertaking.

Before giving you these figures I should explain that my estimates are based on Senator Aldrich's revised edition of his "Plan for Monetary Legislation," in which among other new suggestions he makes the following:

1. That the National Reserve Association will have a paid-in capital of approximately \$150,000,000 to start with.
2. That its minimum legal reserve shall be 50 per cent. of its net liabilities, any deficiency from that figure to be

subject to a graded tax which shall increase as the deficiency increases.

3. That its net liabilities shall be ascertained by deducting from its gross liabilities—the combined amount of its deposits and circulation—50 per cent. of the face value of the Government bonds taken over from the National banks.

4. That the Government shall refund at 3 per cent. its 2 per cent. bonds thus taken over from the National banks.

5. That as an offset to this 1 per cent. additional interest and as a special tax for its note-issuing privilege the National Reserve Association shall pay to the Government a franchise tax equal to $1\frac{1}{2}$ per cent. on the amount of the bonds so refunded.

PROSPECTIVE FIGURES.

If the National Reserve Association should commence business with a capital as proposed of..... \$150,000,000 it would gradually assume liabilities approximately as follows:

Government deposits	\$100,000,000	
Bank deposits (estimated at a little over half the present lawful money in the national banks alone).....	500,000,000	
Circulation against government bonds taken over from national banks.....	700,000,000	
Its total liabilities outside of its capital would be	1,300,000,000	
		\$1,450,000,000

Against these liabilities it would require the following assets:

Gold or legal tender money for its capital	\$150,000,000	
Gold or legal tender money for its deposits	600,000,000	
Government bonds against circulation.....	700,000,000	\$1,450,000,000

Its lawful money reserve against its liabilities would be as follows:

Gross liabilities	\$1,300,000,000	
Deduct 50% of government bonds on hand.....	350,000,000	
Net liabilities	\$950,000,000	
Lawful money on hand, 79%.....	750,000,000	

On the basis of these figures it would have a loaning or investing capacity of \$275,000,000 as, after investing that amount of its lawful money, it would still have left 50 per cent. of its net liabilities. But in the ordinary course of business its deposit and circulation liabilities would increase in proportion to the amount of its loans and investments, doubling its loaning capacity. Expanded to its full capacity its loans would be \$550,000,000 and its net liabilities \$1,500,000,000, while its \$750,000,000 of lawful money would still be 50 per cent. of the latter.

If the loans and investments required under normal conditions should be one-half this amount, or \$275,000,000 (or, in other words, if the management should, as it probably would, under normal conditions, run the Association at half its maximum loaning capacity), the normal reserve would be 61.22 per cent., and there would be, placing the minimum legal reserve at 50 per cent., a leeway for expansion of the loans of \$275,000,000.

A normal balance sheet on this basis would be:

ASSETS.	
Gold or legal tender money.....	\$750,000,000
Government bonds	700,000,000
Loans and investments.....	275,000,000
	\$1,725,000,000
LIABILITIES.	
Capital	\$150,000,000
Government deposits	100,000,000
Bank deposits (originally deposited in lawful money)...	500,000,000
Circulation	700,000,000
Bank deposits created by, or circulation issued against, loans and investments (immaterial which).....	275,000,000
	\$1,725,000,000
And a statement of liabilities and legal reserve against them would be:	
Gross liabilities	\$1,725,000,000
Deduct capital	150,000,000
	\$1,575,000,000

Deduct 50% of government bonds.....	350,000,000
Net liabilities	\$1,225,000,000
Legal reserve money, 61.22%.....	750,000,000

To indicate that the Association could afford from the standpoint of profit to thus run under half steam, so to speak, I offer the following prospective figures of its income and expenses under normal conditions:

INCOME.

3% on government bonds.....	\$21,000,000
$3\frac{1}{2}$ % on loans and investments	9,625,000
	\$30,625,000

EXPENSES.

Operating expense	\$5,000,000
Expenses connected with note issue.....	2,000,000
Franchise tax (equal to $1\frac{1}{2}$ % on government bonds taken over from national banks with privilege of circulation against them....	10,500,000
	17,500,000
Net profits	\$13,125,000
Dividend on capital stock 4%.....	6,000,000

Applicable for division between surplus and the government besides the franchise tax, as above..... \$7,125,000

When the maximum dividend of 5 per cent. is paid to stockholders and the surplus is 20 per cent. of the capital, the distribution of profits would be as follows:

Net profits, as above.....	\$13,125,000
5% maximum dividend to stockholders.....	7,500,000
Balance of profits to government.....	\$5,625,000

These figures are made up on the basis of the original and direct business which the National Reserve Association would acquire. They do not disclose the reserve strength it would have nor the increased loaning power it would acquire as its business develops.

An important part of its reserve strength would be its foreign balances and the foreign bills and foreign government securities in which it is authorized to invest and which would therefore under normal conditions form a very considerable part of its current loans and investments. These foreign investments would be increased or diminished, or, in other words, the National Reserve Association would invest its gold in them or convert them again into gold as the fluctuations of international commerce and the trade balances between this and foreign countries made such transactions necessary or desirable.

Another source of the National Reserve Association's strength which would develop as its business expanded would be the accumulation of reserve money that would gradually find its way into its vaults. Mr. John Perrin, of Indianapolis, in his address before the Tennessee bankers' convention, stated this feature of the Association's ultimate strength so clearly that I will take the liberty of quoting him:

"One feature which perhaps does not present itself at first glance," says Mr. Perrin, "is that all the reserve money of the country would tend ultimately to find its way into the Association's vaults. As its depositing banks would ship currency to it from time to time, these shipments would be made up indiscriminately of gold, gold certificates, greenbacks, silver certificates and National bank notes. The National Reserve Association would, of course, not reship gold or gold certificates when called upon for currency, but would send out its own notes. The gold certificates would be presented at the United States Treasury, where they would be cancelled and the actual gold taken over to the vaults of the Association. Through this process substantially all the gold money in the country, whether coin or gold certificates, not only that in the reserves of banks, but also that now in the pockets of the people, would gradually find its way into the vaults of the National Reserve Association, and its notes would gradually form the main body of our currency.

"As the reserve money of the entire country steadily

accumulated in the vaults of the Association, its lending power would correspondingly increase. The gold received by it, whether creating in equal amount a liability subject to check or a bank note liability, would provide a 50 per cent. reserve against that liability, and an amount sufficient for a 50 per cent. reserve against a new deposit liability of equal amount which might be created by rediscounts to that extent for its customers. As the general stock of gold in the United States is now estimated at more than \$1,700,000,000, the importance is apparent of this tendency of the reserve money of the country to accumulate with the Association, whose normal percentage of reserve would doubtless soon be 70 per cent. or 75 per cent. It would have such vast credit-extending power as to be almost beyond belief, and certainly far beyond the requirements in any panic.

"With such an institution established, the strength of banks would be judged not by the proportion of cash in their vaults, but by the character and convertibility of their commercial assets."

Another feature of inherent strength in the National Reserve Association will be found in its note issuing privilege which will afford its proper protection for its gold reserves through its right to issue its notes for circulation as substitutes for gold or lawful money. The demand for its circulating notes will fluctuate with the seasons. When crops are being moved the demand for them will be at its height, and the maximum amount of them for which legitimate use can be found will be reached. At such times the banks will have to support their reserve balances with the National Reserve Association, against which they may have currency shipped to them, by rediscounting their available paper. As the business demand for circulating notes declines, they will return to the banks and through them to the branches of the National Reserve Association for credit on deposit. Simultaneously will mature the rediscounts on which the increased issue of notes was based. Thus, when circulating notes are shipped out, there will simply be a change in the form of the National Reserve Association's liabilities from that of deposits payable on demand to that of demand notes outstanding. When they return the transaction will be reversed, without in either case changing the proportion of lawful money on hand to the total liabilities of the National Reserve Association.

The lawful money reserve of the National Reserve Association will be but slightly affected by its domestic business transactions. So far as they are concerned, its cash reserves will remain practically stationary except, of course, as they may increase with the growing business and wealth of the nation. Its total liabilities will fluctuate as its re-

discounts, prime acceptances purchased, or other permissible investments fluctuate, and the aggregate amount of these it will control and regulate in accordance with the percentage of lawful money it has on hand as legal reserve against its liabilities. Fluctuations in its lawful money reserve will occur principally through the withdrawal or the deposit of gold in connection with the settlement of foreign balances. Control of this will be in the hands of the management, as has already been indicated, by dealing in foreign exchange and foreign government securities, carrying a line of foreign acceptances and maintaining foreign balances.

We have seen the futility of our present method of handling the money reserves of the country. We have seen that our reserves, though ample if mobilized and properly controlled, are ineffective in a financial crisis when scattered as the law now requires. That in an emergency instead of using them we must increase them. That in a financial crisis liquidation is enforced by the banking law, which provides no legal facilities by which the banks can protect their reserves. That it requires banks to stop loaning money whenever the legally required reserve is impaired. That at such times the banks have had to resort to issuing Clearing House loan certificates, circulating Clearing House checks and suspending cash payments.

We have also seen that these weaknesses in our present system, which are primarily responsible for our panics, would be corrected by the mobilization and control of the reserves of the country in the National Reserve Association. We have seen that in a crisis the facilities afforded to and by the National Reserve Association would not only afford it ample protection for its own reserves, but that the reserves of the country mobilized in and controlled by it could be made effective for the protection of all the banks affiliated with it. That the banks so protected would in an emergency be dominated by courage instead of fear, and would be able to devote their attention to caring for their customers instead of exclusively caring for themselves.

I am convinced that the National Reserve Association would become the largest, the strongest, the safest and the best financial institution in the world. I believe that it would put our banking and currency system where it should be, in the front rank of those of the leading nations of the world, instead of trailing, as now, at the end of the procession, under the constant fear, shared in by other nations, that it may at any time break down and upset domestic and international financial relations and arrangements.

Public Opinion and the National Reserve Association Plan.

By J. G. SCHURMAN, President of Cornell University.

I appreciate the honor of the invitation to address this National Association of Bankers. Nothing indeed but my deep sense of the honor involved in this invitation would have induced me to leave home, where I have many pressing engagements. And your General Secretary will bear witness to the fact that I felt myself on that account at first compelled to decline your invitation. If, nevertheless, I am now here, it is due to the persuasive appeals of your President and General Secretary, my deep sense of the honor of the commission they put upon me, and also, I may as well confess, my personal desire to hear from the most competent experts in the land a thorough discussion of the Aldrich plan of banking and currency reform.

While I keenly appreciate the honor of addressing this convention of bankers, I desire, in the first place, to crave their indulgence by confessing my lack of qualifications for

the undertaking. I am not a banker or the son of a banker. Neither do I enjoy the opportunities of making money with which an unsophisticated public credits all bankers. Nor have I had any experience as director of a bank, for, though I was once elected to that honorable position, I declined it on the ground of its possible incompatibility with some of the duties of my office as President of Cornell University.

There are, however, three considerations which I may mention in explanation of—I will not say in justification of—my appearance as a speaker before your national gathering of bankers. And I am very desirous of discovering even plausible reasons to justify in your minds the invitation which your officers have conveyed to me. Perhaps one or other of the facts I am about to mention may be considered an excuse for them—a partial mitigation of their

rashness. In the first place then let me say that, having been a student of economics and finance from my boyhood, though my studies have often been interrupted by other duties, I have for many years been deeply interested in the subject of banking and currency reform; secondly, though I have been compelled by administrative duties to give up teaching and have conducted no classes for many years, I am, nevertheless, at the present time giving a course of lectures to our students on economic and financial subjects, in which I am devoting considerable space to the subject of money, credit and banking; and in the third place, I have long been a disciple and advocate of the doctrine that the United States has the worst system of banking and currency in the whole civilized world.

This Association is vitally interested in and devoted to the reform of that system. I meet you on common ground. I am as keenly alive to the importance and indispensable necessity of reform as you are. It is impossible to estimate and difficult to exaggerate the magnitude of the losses which this country has suffered from the defects of its present banking and currency system. No other civilized country would so long have endured such a waste of its resources; no other country is rich enough to have stood it.

BANKING REFORM AND PARTY POLITICS.

The general public has no idea of the importance or urgency of the reformatory and constructive legislation which we now desire for the improvement of our banking and currency system and the protection of the financial interests which they represent. Questions of partisan politics, especially if embittered by personal feuds, easily gain possession of the public mind. But the promotion of the public welfare without appeals to passion and to fury is a much more difficult undertaking. Yet measures of this character are vastly more fruitful than any issue of mere partisan politics in promoting the public interests. Education, research, invention, the wise organization of capital and labor, and the maintenance of a system of orderly and just government have been of infinitely more benefit to mankind than any, or perhaps all, of the personal or emotional issues which have ever convulsed party politics. If, therefore, it is more difficult to arouse public attention to the importance of subjects of this character, we may, nevertheless, console ourselves with the reflection that these are the subjects which it is supremely worth while for the public to be interested in. And we may cherish the faith that in the long run a hearing will be secured for them and public interest aroused, first, because with all their emotional partisanship there is a large residuum of reason in human beings and, secondly, because in the fierce competition of modern industrial societies it is absolutely impossible for a nation to prosper if its economic and financial arrangements are out of harmony with the arrangements of modern industry and commercial life. The advocates of banking and currency reform have behind them as their support the inexorable nature of things, the laws of the physical universe and the industrial life of mankind; and in spite of indifference and even of opposition they are bound in the long run to prevail.

Nevertheless, I believe a thorough and extensive campaign of education will be necessary. This is not merely a matter which concerns bankers, though from their vocation bankers happen to know more about it than other members of the community. But because bankers see the evils more clearly than the rest of the community, they have no personal or professional interest in the reform of these evils. The benefits of reform inure to the public generally. It is not the bankers but the public who now suffer. And the first lesson to be emphasized in our campaign of education is this: That banking and currency reform is the concern, not of bankers, not even of financiers, but of the American public in general. Under our present system there are times when unnecessary financial stress is experienced by farmers, by fishermen, by lumbermen, by wage-earners, by all classes of the community. Though the banker perceives these evils and realizes the causes from which they follow,

he does not suffer from them in a more acute form than any of his fellow citizens. It is merely that his experience brings the evils under his observation. The general public indeed do not realize this situation of affairs, and are prone either to accept their sufferings as a result of the necessary nature of things or to imagine they can be remedied by some remote measure of party politics. For this reason I say it is essential that the public shall be educated to a realization of the true situation of affairs. When panics come and wage-earners are thrown out of employment, and farmers with good properties cannot borrow money at a moderate rate of interest, and no one can get the cash necessary for the transaction of routine business and checks are not accepted at face value, the public must be made to understand that these evils in which all alike are participating are due to a cumbersome, antiquated and unscientific system of banking and currency and that they could be eliminated with the reform of that system.

SUPREME IMPORTANCE OF BANKING REFORM.

Senator Aldrich is not the spokesman of the bankers and financiers of the country, though the daily experience of bankers and financiers enables them to appreciate more quickly than other members of the community the nature and value of the reform which he has outlined. Banking and currency are invaluable and indispensable agencies of business. Whoever can improve the American system of banking and currency improves American business and confers a benefit, not only on business men, but on every one who is engaged in any of the tasks of production or distribution, on the farmer and the laborer, as well as on the trader and the capitalist. If Senator Aldrich, bringing a vigorous mind and a large and varied experience to the study of banking and currency problems, has, after conference with bankers and business men and economists and other groups of intelligent citizens, worked out on sound business principles a plan for the reformation of our currency and banking system which can be fitted into existing conditions without involving abrupt or revolutionary changes, his name will be ranked among the foremost financial statesmen of modern times, and he will have laid before our people a programme of practical reform which, in view of the magnitude of the interests involved and the terrible severity of the evils to be remedied, should take precedence of every other question of contemporary public policy. In comparison with a sound banking and currency system proposed changes in our tariff and trust laws, important and urgent as they may be in themselves, fall into the background. You will not misunderstand me. I recognize the propriety of bringing our tariff laws into a closer harmony with the conditions of modern industry and commerce and the demands both of the consuming and the producing public. And though I am firmly convinced that business on a large scale is absolutely essential to efficiency in the modern world and should be protected and encouraged by all proper and legitimate means, I hold not less emphatically that the public have a right to be protected from oppressive monopolies. But whatever the losses, inconveniences and sufferings which may be attributed to our tariff and trust laws, they are far less than the losses, inconveniences and sufferings which are due to the imperfections of our banking and currency system. To the supreme importance of this issue, therefore, it is indispensable that the public should be aroused.

OUR PRESENT SYSTEM LACKS CO-ORDINATION AND CENTRALIZATION.

Look at the magnitude of the interests which are involved in the question of banking and currency reform. The business of this country last year amounted approximately to \$450,000,000,000. Four-fifths of that business was done by means of bank checks, and of the remaining fifth a considerable proportion by means of bank notes. A plan of banking reform, therefore, aims at the perfecting of a machine which engages in the work of exchange to the extent of over \$375,000,000,000 annually. At the present time

this banking machine suffers from two great defects; first, its different parts are without co-ordination; secondly, it does not respond automatically to business demands upon it. The enormous crops of the country make credit far more essential at certain seasons of the year than at others. But under the present system our banking credit is notoriously inelastic.

The business of the country has undergone consolidation, co-ordination and centralization at a tremendous rate. But our banking system is paralyzed by decentralization and lack of co-ordination. To realize how antiquated that system is one has only to imagine trade and commerce conducted today as it was fifty or one hundred years ago. Yet that is the decentralized condition in which under the present system our banks are actually left. The evils of decentralization and lack of co-ordination are felt especially in times of threatened panic. There are bank reserves enough in the country to protect all the banks. But they are widely scattered and each jealously guards its own. That, however, is the very time when reserves should be centralized, subject to single control, and ready for application at any point in the country where danger especially threatened. It is as though a town were to be protected against fire when each citizen possessed a private reservoir of water and would not allow his neighbor to use it. At a time when concentration of the water supply and unitary control of it was absolutely necessary for the protection of property the town may be sacrificed to a needless dissipation of its resources and an absurd system of separate and individual control. That was the condition of this country in the panic of 1907. There was abundance of reserve money; but it was divided, scattered, segregated and subjected to local control. That circumstance explains why panics occur in the United States with far greater frequency than in other civilized countries. In France, in Germany, in England there are great central National banks, and they have all the facilities needed for warding off threatened panics. They can establish a new rate of discount; they can conduct extensive operations in foreign exchange and gold bullion; they can discount and rediscount commercial paper, and otherwise inspire the confidence of the community. It may not be possible or desirable to charter in the United States an institution like the Bank of France or the Bank of England. But unless some way is found of co-ordinating the scattered strength of the 25,000 independent banking establishments which now hold the money reserves of our country, business will continue in the future as it has in the past to be subject to extreme fluctuations and to suffer from the panics by which it has hitherto been characterized.

LACK OF ELASTICITY IN BANKING CREDIT.

The second fundamental evil from which our banking system suffers is the lack of elasticity in the credit it furnishes to the country. Under our present system issues of bank notes do not respond to variations in the demands of business. These notes are secured by United States bonds and they respond to variations in the price of these bonds, increasing as the price of Government bonds declines, decreasing as the price of Government bonds rises. Yet these decreases and increases in circulation come at exactly the times when business needs the opposite. On the continent of Europe and in Canada bank note circulation adjusts itself automatically to the demands of trade. When crops are marketed in the fall, circulation rapidly increases; when the crops have been removed, when demands for credit have subsided, the circulation automatically declines. In the United States, on the other hand, there is little elasticity in bank-note circulation; and when the demands for moving the crops have ceased the circulation shows no tendency to contract. This rigidity of our banking system, combined with its lack of centralization, produces alternations of speculation and of stringency, and extreme fluctuation in the rates of interest. The losses to the country thus ensuing cannot be calculated.

THE ALDRICH PLAN.

Senator Aldrich's plan furnishes a method for unifying our present banking system into one comprehensive system; and while it thus secures co-ordination and centralization, at the same time it provides for that elasticity which is so notoriously lacking at the present time.

I need not go into the details of Senator Aldrich's plan, as you are all familiar with it. It is enough to characterize some of its essential features. It is a National Reserve Association and not a United States bank. It deals, not with individuals, but with banks and with the Government. Its stock is to be held, not by individuals, but by banks. And of banks it takes direct account only of National banks, which today number some 7,200. Each of these banks may subscribe to the authorized capital of the Reserve Association an amount equal to 20 per cent. of its own stock. The authorized capital of the Reserve Association is to be \$300,000,000, of which \$150,000,000 is to be paid up. Provision is made for banks other than National banks ultimately coming into the Association and subscribing to its capital. The National banks which subscribe to the capital will be grouped in local associations throughout the country. A number of these associations will form a district. Altogether there will be fifteen districts in the United States, and in each of them there will be a branch of the National Reserve Association. Each of the fifteen branches of the Reserve Association shall have a board of directors elected by the local associations. And these fifteen branch associations will elect and control, directly or indirectly, thirty-nine of the forty-five directors of the National Reserve Association. The other six directors will consist of the Secretary of the Treasury, the Secretary of Commerce and Labor, the Comptroller of the Currency, and the Governor and two Deputy Governors, who are to be appointed by the President of the United States from a list submitted by the board of directors.

CENTRALIZATION AND ADAPTATION TO LOCAL NEEDS.

In its structure and organization this National Reserve Association with its branches admirably combines centralization and adaptation to local needs. The Canadian system of a few large banks with scores of branches scattered all over the country is also an example of centralization and local adaptation. But the centralization in Canada is arbitrary since it inheres in a casually elected board of directors. In the Aldrich plan the centralization is associated with representation of the country as a whole. Furthermore, in the Canadian system, while branches are scattered all over the country, and while local needs are subserved, there is no appeal to local interests and no local voice in the control. In the Aldrich system, on the other hand, the control of the local branches is in the hands of the local banks. The Canadian branches are governed from Montreal or Toronto, or some other large city in which the parent bank is located and the directors live. Under the Aldrich plan the branches are governed and controlled by directors living in the localities and elected by the banks themselves.

In another respect the Aldrich plan affords an admirable example of the highest statesmanship. Burke defined a statesman as one who showed a disposition to conserve and a willingness to improve existing institutions. Senator Aldrich's plan conforms to this test of statesmanship. He might have swept the 7,200 National banks which we now have out of existence. Or he might have made them, as under the Canadian system (if indeed our Constitution would permit of such an arrangement), mere branches of one or more large parent institutions. He took neither course. These 7,200 existing National banks presumably meet local needs—else they would not exist—and they have become identified with local interests. Senator Aldrich's plan leaves them as they are, but provides a scheme by which they come together in a large local organization, which they themselves shall constitute and control. And these local associations thus organized are com-

bined into fifteen district associations by which, as we have seen, the National Reserve Association itself is ultimately controlled.

The same centralization and the same adaptation to local needs meets us when we pass from the organization to the functions of the National Reserve Association. That Association will conduct operations in foreign exchange and in gold movements. But it has two other functions of great importance to the local banks: First, it serves as a depository of bank reserves; secondly, it will rediscount commercial paper of high grade. Being a depository of bank reserves funds can be transferred from banks in one section of the country to another by a transfer of credit on the books of the Reserve Association. Instead of the present absurd system of shipment of cash to and fro, the National Reserve Association would in this way become a National clearing house. The system of rediscounts would bind the local banks to the Reserve Association. And in this way local banks could obtain funds in time of need. It is difficult to imagine a better protection against the incipient attacks of panic.

CREDIT ELASTICITY.

As the Aldrich system provides for centralization, so also it provides for credit elasticity. With its large capital and its deposits, both from National banks and from the Government, the National Reserve Association would have a large banking power. Through its foreign exchange and gold bullion operations the bank would exert an influence on the contraction and expansion of credit, as also by its rediscounting of commercial paper and the raising and lowering of the rate of discount. But this is not the whole story. The Aldrich plan adopts a scientific system of bank-note circulation. The notes of our present banks are secured by bonds, and are therefore inelastic. The Aldrich plan substitutes therefor an asset currency of the same amount issued by the Reserve Association. And besides this issue provision is made for an emergency circulation to an indefinite amount, subject, however, to an annual progressive tax, starting with 3 per cent. on the first \$100,000,000 and reaching 6 per cent. on all above \$300,000,000. Like the Canadian system, this provides not only adequate machinery for the expansion and contraction of credit but also for *automatic* expansion and contraction. The danger to which all bankers are exposed is that of unduly extending their credit. When emergencies come they are caught with inadequate reserves. This, of course, is due to their desire for profits. That temptation, however, is provided against in Senator Aldrich's plan by the proviso that after stockholders receive 5 per cent. on their stock and the surplus amounts to 20 per cent. of paid-up capital, excess earnings shall go the Government, unless indeed, as has been suggested by the Bankers' Association, a portion of them shall go into a reserve fund.

THE ALDRICH PLAN AND POLITICS.

The Aldrich plan, therefore, provides both for centralization and credit elasticity. And it fits into our existing system of banking without the necessity of radical modifications. At the same time, it gives us all the benefits of the best European and Canadian systems of banking without entailing some of the drawbacks to which those systems are exposed. On the other hand, we must recognize that any banking system in the United States, even the most perfect, is exposed to peculiar difficulties. In the first place, there has been a larger infusion of politics into currency and banking problems in this country than anywhere else in the world. And in the second place, in this day of opposition, not only to monopolistic trusts, but even to big business, there is a suspicion and apprehension that the big financiers who are supposed to control Wall Street may also control and exploit this National Reserve Association.

Those of us who recall the agitation of a currency system based on 16 to 1 are not likely to underestimate the danger of politics in banking and currency legislation. And his-

tory teaches us also that two United States banks have already been destroyed by politics. Doubtless Senator Aldrich and his coadjutors were keenly sensitive to this danger. And there are certain features of the present scheme which differentiate it completely from those which have gone before. In the first place, this is not a National bank, but a reserve association owned by bankers. It does not compete with the National banks, but it co-ordinates them and supplements their functions; it does not deal with individuals, but with banks and bankers; and it can play no part in politics, but, on the other hand, will be subject to strict Federal supervision.

THE ALDRICH PLAN AND WALL STREET.

There remain the dangers of Wall Street exploitation and control. On this point the public will be sensitive and suspicious in the extreme. Yet the Aldrich plan seems to reduce to the lowest possible degree the opportunity of exploitation by Wall Street. So far as appears, it might be said that that possibility is wholly eliminated. But in view of the subtle machinations with which the recent history of American finance has made us familiar one may hesitate to make such a positive assertion. One may, however, venture to declare that it would be difficult to lay down greater precautions than those embodied in this plan. Wall Street deals in the main with stock and bonds of private corporations. But the National Reserve Association is not permitted to purchase such stocks and bonds. Still more important is the difference in the control in the two cases. The manipulators of stocks and bonds in Wall Street are the small number of men who own and control enormous holdings in combination. But the directors of the National Reserve Association are not from Wall Street, but from all parts of the United States, their electorate being ultimately the local banks. It is not easy to imagine such a body of representative Americans being either the tools or agents or the daring rivals of the manipulators of Wall Street. If it is said that these directors being elected by the banks, as the majority of them are, are from the very character of their experience and vocation predisposed to sympathy and alliance with Wall Street, I would appeal to the voters of States outside of New York and ask whether the bankers of the South and North, of the East and West, are not really more responsive to the sentiments and views of their own localities than they are to those of Wall Street. And in the second place, I would point out that of the forty-five directors of the National Reserve Association twelve are to "fairly represent the industrial, commercial, agricultural and other interests of the country." And though they may be bank directors, they cannot be officers of the bank.

ENACT THIS PLAN OR FORMULATE A BETTER.

The Aldrich scheme is now before the country. No one who is acquainted with our present banking and currency system and with the proposed plan can hesitate to pronounce it a great constructive measure. It is quite possible that it may be modified; it is quite possible that it may be improved in details. And I am confident that Senator Aldrich and the Monetary Commission and the Bankers' Association would all welcome suggestions in the way of improvement. But one fact must be recognized. Reform is absolutely essential. There has been a consolidation of our great industries in the interest of economy and efficiency. And for the same reason railroads have been unified and multiplicity of administration abolished. The present banking law of the United States is a survival of an industrial, economic and financial condition which has passed away. We must follow other great nations in providing an institution for the centralization and co-ordination of our banking power. The waste and inefficiency of the present system are no longer tolerable. The Aldrich plan is an attempt to solve this problem. It has received the highest commendation from intelligent men and experts all over the land. If a better scheme can be pro-

duced, let it be forthcoming. Either this scheme or a better scheme is indispensable. And until I can hear of a better scheme—of which, indeed, I have no expectation—and until I can see serious defects in the Aldrich scheme—which are not now visible to me—I heartily join this Association in commending this plan to the American public and will

gladly do everything in my power to secure its enactment into law. And if at any time you think I can co-operate with your Association, or with its officers, in bringing about this reform, I beg to assure you I stand ready whenever my other duties permit to put my services freely at your disposal.

The Needs of the Farm and Its Benefits from the National Reserve Association.

BY JOSEPH G. BROWN, President of the Citizens' National Bank, Raleigh, N. C.

When God created man in His own image, and placed him in the beautiful garden, He gave him dominion over the land and over the sea and all that in them is. From that day through all the ages until now the soil has been responsive to the touch of his hand.

So bountiful has been the yield in our own portion of that inheritance that it has become a mighty and a wonderful country.

The population of this country is 92,000,000 people. Of these, more than half, say 49,000,000, live in the rural districts. There are nearly 1,000,000,000 acres of cultivated lands. The value of these lands, including buildings, amounts to more than \$34,000,000,000, and their annual product is \$9,000,000,000, or about as much as the entire resources of all our National banks. It would require only 10 per cent. of one year's product to pay the National bonded debt. The capital invested in agriculture exceeds that invested in either manufacturing or railroad enterprises. The man who tills the ground is, in these United States, creating wealth at the rate of \$25,000,000 daily. How essential then that we bear in mind that no system of finance can be effective that does not embrace in its scope the needs of the agricultural sections! Back of all commerce, back of all banking, back of all manufacturing, back of all industry lies agriculture, the real basis of all prosperity.

The product of the soil demands the first consideration, and when a system is evolved by which the farmer may handle that which he has produced in such way as to retain for himself a fair share of the profits of his labor, such a system is apt to meet the needs of every other interest, and only such a system will stand the test of time.

The wealth of the world comes out of the land, and try as he may, man cannot escape the sentence passed upon Adam in the Garden of Eden: "In the sweat of thy face shalt thou eat bread." From that far aback day in the dim twilight of creation until the noon day brightness of this twentieth century, "The man with the hoe" has been the man who has added to the wealth of the world. And from that day there seems to have been implanted in every human breast an inclination to till the land, and this is well, for there seems to be something in the touch of the sod that gives strength and vigor and character to man.

It is an established fact that the great interests of the city are built up and maintained by men who have come from the rural sections. A recent canvass of one of the great cities has shown that out of 100 successful men, 85 came from the country. There can be no question that our very civilization depends ultimately upon the character and strength of the life developed at the countryside.

Whittier said, "Who sows a field or trains a flower

Or plants a tree is more than all."

And yet we see the population of the farms being depleted whilst that of the city increases, and we naturally inquire the cause, and wonder what there is lacking in country life and what is needed to hold its young men and its young women.

In Denmark, we are told, country life has been made so attractive that men are abandoning the desolate tenements

of the cities for the healthier and happier homes on the farm.

Perhaps, with us, there may be need for another Virgil to write upon the charms of country life, as Augustus thought there was when Italy was devastated by a civil war.

I would like, if time permitted, to mention in detail the many needs of the farm. But in various ways these needs are being supplied. The telephone, rural free delivery, parcels post system, good roads, and the growing use of automobiles are bringing the country people closer to each other and into closer touch with the outside world, thus eliminating in large measure the isolation and loneliness of country life—causing the employment of more efficient teachers, the building of better school houses and churches and more attractive homes.

Special training is scientific, and intensive farming is producing greater diversity of product and more rotation of crops, and is adding largely to the wealth and independence of the farmer. He is rapidly learning the best methods, the crops best adapted to the soil, the best time for planting, the most economical way of doing things, and best of all to raise his own "hog and hominy."

The great need is that of men, men of broad vision, men who can see beyond their own back yards, men possessing the spirit of Seaman A. Knapp, and fitted to wear his mantle, and who can inspire the owners of the land as he did, to develop methods that will treble the yield of every acre cultivated.

The work of the Country Life Commission, farm life schools, agricultural colleges and the competitive corn clubs among the boys have had a most helpful influence, which has been largely augmented by the excellent farming journals, which are more ably edited, have wider circulation and wield a larger influence than ever before.

There is one special need, however, which appeals to us particularly on this occasion, a need that underlies all others and without which we can never hope to get out of country life the very best there is in it. There must be some system of finance by which the farmer may not only secure funds to make his crop, but may also be sure of facilities for holding or marketing it after it is made, so as to get for himself a fair share of the profits of his labor. Under the present system all too often he is forced to rush his crop to market and sell under most unfavorable conditions.

But our defective financial system has not affected the farmer alone. It has touched every phase of business life. The whole country has felt its blighting hand, and the resulting loss has been incalculable. Some one has well said that panics have cost this country more than war, and yet we know that panics can be prevented, or at least greatly modified. They are practically prevented in other civilized countries. Is it not strange that the American people have so long permitted them, that through all these years they have admitted their inability to provide a system for this country as effective as those of other nations?

In the recent panic we were forced to call upon England to help us out of her gold reserve when in our own vaults there was stored six times as much as she possessed. The difference was that hers was concentrated and available,

and the people knew it, whilst ours, larger than that of any other nation, was scattered among 25,000 different banks, and therefore of no service. With us the banks lost confidence in each other, there was no practical way of co-operation, the people knew it and the blighting panic ensued. Such will continue to be the result until we reach the point where we can lay aside sectional jealousies and partisan prejudices and unite in some plan by which the vast resources of this country may be readily utilized and be made as they should be, a mighty tower of strength.

We have had the lesson of experience, we must not fail to profit by it.

There must be a currency that is not only safe, but is abundant and unfailing in supply, always available and entirely adequate for the requirements of the largest crops. The present system, although well devised and in many points satisfactory, is uncertain and likely to fail, and has actually failed in every great emergency.

"A chain is only as strong as its weakest link," and the weakest link of our system is the inelasticity of the currency and the uncertainty or rather the absolute certainty of its scant supply when the largest volume is needed. It does not respond to the demands of business, but its volume is determined mainly by the price of bonds.

The recognition of this condition and the fearful losses entailed upon the country by the panics that have come with almost periodical certainty have led to a careful and perhaps more exhaustive study of the whole question than has ever been given to any other problem that has come before the American people, and out of it all has been evolved the plan proposed by the Monetary Commission. But the question before us at the moment is what benefit is to accrue to the farmer from the operations of this bill if enacted into law?

Of course whatever advances the common good must necessarily be of benefit to an interest that makes up so large a part of the world's activities as does that of farming. Whatever affects disastrously the great commercial interests of the country, whatever unsettles financial conditions, closes banks and factories, and throws men out of employment, necessarily interferes with the handling and marketing of crops.

These things are directly due to the lack of confidence in our monetary system, and nothing can be more effective in restoring and maintaining such confidence than the linking together of the strong banks of the country, unifying their interests and giving to each the combined strength of all. This is the main feature of the proposed plan.

This union of forces will strengthen the courage and faith of the country banker whose business is conducted along prudent lines, will enable the farmer to secure funds for the making of a crop, and keep open the markets through which the crop is converted into cash.

Under the proposed plan the bank can readily and quickly convert into actual cash the solvent commercial paper it is carrying, and in emergency its own obligations, so that hardly any condition can arise by which the farmer with his crop, which constitutes the safest collateral known to the commercial world, cannot secure needed help.

Of course short crops may come, dull business may follow years of expansion, but there should be no more runs on banks, no more closing of solvent banks, or selling of cash at a premium.

It is possible that some of the smaller banks which seldom have the required short-time commercial paper, may not take advantage of membership privileges, but whether members or not, they cannot fail to enjoy the benefits of the Association because their reserve correspondents, having themselves an unfailing source of supply, can always provide for their needs, and they in turn can provide for the handling of every bale of cotton and every bag of corn.

The strong feature is the establishment of absolute confidence in the strength and stability of the system, a system which will furnish an inexhaustible source of supply, whose very presence and certainty will tend to eliminate its need.

If you can get it, you don't want it, but if you can't get it, you must have it!

This availability and sufficiency of resources will doubtless facilitate the building of bonded warehouses, and with these in operation all over the country, the farmer will occupy a most independent position in regard to the disposition of his crop—for his warehouse certificates will be just as desirable collateral as stocks and bonds, and in many cases, far safer. The farmer will at last have that which has been denied him all these years, facilities for borrowing, equal at least to the man in the city who carries his surplus in the shape of negotiable securities.

This will bring about more cordial relations between the farmer and the banker, and both will appreciate more fully the fact that each has his place in the world's economy, that their interests are mutual, and that whatever builds up the one adds in some degree to the strength and stability of the other. There should be no antagonism between these two classes. The banker has long recognized the farmer as the back-bone of the country, and no well-posted banker can be found who does not realize that his bank is in better shape with its loans scattered in the hands of a hundred substantial farmers than with them concentrated in the hands of a few city borrowers.

The disfavor with which rediscounting by banks has been regarded is eliminated by this bill, and the proper use of facilities for rediscounting is emphasized as entirely legitimate. So far does it go in this direction that by a system of bank acceptances it brings the resources of the world within the reach of every banking community.

The great good that accrues to the farmer from this is that the adequacy of the supply and facility for borrowing equalizes rates, and gives to the sparsely settled and undeveloped regions the same favorable terms that have obtained in the rich and populous sections where desirable collaterals are available. Texas and Wall Street must pay the same rates. It hardly requires the vision of a seer to perceive what this may mean to those sections remote from the centers where interest rates have been almost confiscatory.

The Reserve Association will be especially charged with the maintenance of uniform rates. In France the rate has varied only 2 per cent. in twenty years, the highest being only $4\frac{1}{2}$ per cent.

The average farmer has been the possessor of little else than his land, and our present laws forbid the lending by the banks on mortgaged security. This has forced the land owners into the hands of individual money-lenders, many of whom have not been overmodest in their charges. The farmer has had no heavier burden to bear, and this is relieved by the provision in the proposed law that banks may lend on real estate.

If this be followed by the universal adoption of the Torrens Land Title System it will make available to the farmer as collateral practically every dollar's worth of his property.

Some suggest that this would make borrowing too easy, but can there be any good reason why the land owners should not be put on the same footing as the owner of other kinds of property? The man who has the capacity to accumulate must be credited with the judgment to use his property prudently. The restrictions in the present law were doubtless wise, and have served a good purpose, but conditions are now changing rapidly, and one of the objects of the proposed legislation is to give the farmer a chance.

The prohibition of loans on stocks and bonds ought to satisfy those who fear the money-power that no effort is being made to provide for speculation to the exclusion and hurt of the business interests of the country.

Of course commercial deposits should not be loaned on long mortgages, but the Savings Departments will attract time money, a limited portion of which may be safely utilized in land loans, and this privilege will, in my judgment, tend greatly to building up and beautifying life on the farm.

Better school houses and churches will follow, more efficient teachers will be employed, more good books read, and

one-half of our great population will be lifted up upon a higher plane, and then the sons and daughters of farmers will no longer be found in the almost endless procession that is now seen with their faces turned towards the cities.

There is no lack of banking facilities in this country. We have more than 25,000 banks, widely scattered, all free, individual and competitive. About 7,000 of them are National Banks with note-issuing privileges. All these institutions naturally take care of their local interests first, and then send their surplus funds to other communities. In many respects the present system is good. It has proved its merit, but it is not perfect. In fair weather it works like a charm, but when the storm clouds gather it becomes inefficient. Its cash in circulation disappears. Its vaults swell with increasing reserve. Each individual bank looks out for itself alone.

At such a time, in the large cities where there are organized clearing houses, and only in such places, there are developed community interests. The banks composing these Clearing Associations, without any sanction of law but from sheer necessity, pool their assets, issue Clearing House certificates and boldly violate the plain letter of the law. The officers, sworn to its protection, wink at it because they know that such united action is the only solution of the problem. It is to accomplish this same thing in a lawful way, to get the benefit of organization and of co-operation that the plans of the Reserve Association have been devised.

Every other great country has its Central Bank. This plan endeavors to secure the advantages of such a Central Bank without its objectionable features, and to my mind this desired object has been largely attained. President Taft says of the proposed plan, "There is nothing in it that is of a partisan nature." And this is true. They need no longer cry "politics," or "monopoly," or "the rich against the poor." There is nothing of the kind in it.

Dividends limited to 5 per cent. will not create monopoly. Scattered directors and bank ownership, instead of individual ownership, will surely eliminate politics, and prevent the possibility of control by any one district or group. Such, I believe, is the desire and purpose of the authors of the bill. It is difficult to conceive how a plan could be devised that would render more difficult the political or monopolistic control of the great volume of funds that would necessarily be accumulated, and of the powerful influence it would wield.

Every army needs its general in command. Every great movement is headed by some leader. So there must be some wise and well recognized leadership for the banking interests of this great country, and you can find no highway, no byway that will not lead you ultimately to the same point. There must be some great central power.

There must be a heart, a great reservoir through which, like the life blood in the human body, must circulate the currency, which is just as certainly the life blood of all the commercial and material interests of this old world.

It is said there is strength in numbers, but if our country is to be taken as a criterion, this does not hold true in her financial realm. England with her forty banks, and France with only three, besides her great National Bank and its branches, can under expert management go from decade to decade, through times of war and times of peace, through seasons of plenty and seasons of famine, without ever a panic or semblance of panic, whilst we with our vast resources are frequently in the throes of a great financial upheaval. There is no justification for this. Our system must be made such as to inspire confidence under all conditions. It must be national in its scope and spirit, and national in its strength.

It is not the swan-like boat with banners streaming and gaudy paint that one seeks for an ocean voyage, but rather the great sturdy steamer whose throbbing engine reveals her power to move along her course not only when the blue sky smiles down upon the placid sea, but as well when the angry waves seem about to meet and test strength with the angry clouds overhead. So the need of this country is a financial

system so strong that no short crop, and no number of mis-managed institutions can bring disaster upon those banks which are honestly and conservatively managed, or bring about such a condition of affairs that the men who are doing things in the world, and who by their skill and ingenuity are supplying the daily wants of mankind, must stop the wheels of their mills and their factories and turn their operatives adrift with no means of procuring a livelihood for their wives and children.

It is a disgrace to this twentieth century and to the genius of American manhood; it is a discredit to the banks of America that such a state of things should exist. And, instead of spending their energies as many do in denouncing the old political banks of a century ago, our people should encourage those who are today giving their time, their means and their talents, in an effort to shape currency legislation in such way as to guard forever against the recurrence of such devastating panics as we have had in the past.

The men that are giving their efforts in this direction are patriotic men, they are honest men, they are business men, they are men who have led their banks through many rocky places and can continue to do so. Like the old ship of Zion, "they have weathered many a storm, and can weather as many more."

They are men who have come up from among the people, and who know their needs. They are men who are in close touch with the men who are operating the mills, whose looms are weaving our cloth, and making a market for our cotton, whose factories are making our furniture and providing a market for our timber, whose mills are buying our ores and moulding them into useful shapes, whose genius and whose integrity are gathering into their vaults large sums of money which they can prudently lend to those who are constructing our railroads, which are opening up pathways across our fertile fields, thereby making a world-wide markets for our crops, enhancing the values of our farm lands; making rich our farmers; building for them churches and school houses, and attractive homes, sending their children to school and developing all of this wonderful country.

It is time then to stop fault-finding; to cultivate confidence in our fellows and to lend a helping hand in the mighty work which our country is accomplishing today.

There must be some remedial legislation. Elasticity of circulation and responsiveness to the demands of trade, are absolutely essential to a nation whose soil yields in a single year harvests whose values are \$9,000,000,000, a large part of which harvests comes upon the market within a very brief period. Properly handled, we have enough gold reserve upon which to base a note circulation ample to meet every demand, even when there might be an abnormal crop and a quick rush to market. But for some reason when business is poor and there seems no need, our bank note circulation increases in volume, and when trade is brisk its volume contracts. But the banker is not charged with the duty of supplying a proper volume of currency—he needs only to know if the price of bonds will justify his hope of profit if he invests in them and increases his circulation.

Our reserve, presumably for emergency, fails absolutely in its purpose whenever emergency arises, for instead of using it at such a time to tide us over, we find ourselves with all the other banks of the country trying to add to our reserve. We know too well if we use our supply at such a time there is no source from which we can replenish our tills, and the hoarding that is done by all of the 25,000 banks of the country naturally adds to the tightening of money, and our customers, like the famishing mariners on the sea, with "water, water everywhere, and not a drop to drink," find money, money everywhere, but not a dollar with which to meet their legitimate obligations.

The great white fleet affords ample protection to the Metropolis when assembled in her harbor, but the squadron of the enemy would laugh at her big guns if scattered at remote points along the Pacific Coast.

So the reserve may be ample in volume, but if scattered

all over the country, it is of absolutely no service. If assembled in one great central reservoir, which is easily accessible, then at the very appearance of panicky conditions at any one point, ample assistance can be extended at once, and the feeling of alarm dissipated before it can be communicated to other points.

The funds of our banks are accumulated in the great city banks, a large portion of the reserve being held by them, and yet the most of us know that under existing laws such reserves are absolutely unavailable and that but for the unauthorized use of clearing house certificates, in time of panic, we not only could not borrow a dollar, but could not actually get the use of the balances due us by our correspondents. This is not because of any disposition on the part of the city banks to embarrass their country correspondents, but because of the system itself, which is just as irksome to the great metropolitan banks as it is to the little banks at the crossroads.

This country can never be satisfied until some system is devised by which the country banks can avoid being declared insolvent when they have ample credit or ample funds in the hands of their city correspondents, who, because of defective laws cannot come to their relief, without running the risk of placing themselves in a similar situation. All these things are too fresh in our minds to need elaboration. The system has proved insufficient in time of critical need. The country demands another that shall be effective at all times.

There is no need, however, to abolish our present system of independent banks. We need only to secure their mutual co-operation. Their interests are identical. National and State Banks and Trust Companies alike are seeking the

same ultimate object, and all alike affect the prosperity and upbuilding of our country. All therefore are to share alike in the duties and responsibilities, as well as in the emoluments that may come with any new currency legislation.

It is folly to presume that American ingenuity cannot devise a plan suited to the demands of the time, and equal to any test. We have the brains, we have the natural and acquired resources, and only lack of faith in ourselves can prevent the establishment of a system as good as the best.

When such a system has been adopted then the cotton farmers of the South and the grain raisers of the West may have the assurance that funds needed for the movement of the crops are always available and always at their service. The bank with \$25,000 capital will then be heard and helped as readily as the bank with \$25,000,000.

Such the needs, such the benefits sought, and such I believe will be the effect of the adoption of the act creating the National Reserve Association, and the plan proposed is very unique.

It may not be complete, but there is in it the best from all systems that experts could make adaptable to our needs, and it at least furnishes a foundation upon which may be built a system that is believed will eliminate panics, produce unity of purpose and concert of action, and give to the American people the same primacy in world finance that they now hold in every other line. It behooves us as patriotic citizens to give our best efforts to the perfection and final adoption of such a system.

If we cannot have reciprocity with Canada,

Let us at least have reciprocity with one another.

The Benefits of the National Reserve Association to the Manufacturer and the Laborer.

By C. STUART PATTERSON, President of the Western Savings Fund Society of Philadelphia.

I may assume that I have been asked to speak upon the subject of this address, because I have been for many years, and am, one of the directors of a railroad and also the president of a savings bank. That railroad in the year 1910 carried 168,604,348 passengers; moved 441,619,033 tons of freight, manufactured in its own shops railroad material and supplies of a value of \$91,839,069, and paid wages to the amount of \$154,896,327 to 189,809 employees.

That railroad system may properly be characterized as a manufacturer of transportation and of railroad supplies.

That savings bank holds in trust the savings of more than 58,000 depositors, most of whom are wage-earners.

I may, therefore, venture to think that I have had, as regards the interests of both manufacturers and laborers, a qualifying experience.

Large as are the figures which I have quoted for the railroad system to which I have referred, they are small in comparison with those of all the manufacturing concerns of the United States, who, according to the latest report of the Census Bureau, number 268,491, have 6,615,046 employees, and the total value of whose annual output exceeds \$20,672,052,000.

The successful manufacturer sets aside an adequate working capital. He invests the balance of his capital in the construction of his original plant. From time to time he invests additional capital in, or takes out of earnings the sums needed for, any betterments, new appliances, or methods of working, which may diminish the cost of operation. He appropriates the balance of earnings to the maintenance of the plant in thorough repair, the purchase of raw material, the payment of wages, and to other necessary expenses. He sells his finished product at

the highest obtainable prices in the hope of making the greatest possible profit, after deducting all disbursements and interest upon invested capital.

He opens and maintains one or more banking accounts for the safe custody of his moneys, cashing of his checks upon demand, conveniences of collection and remittance, and loans and discounts by which to convert into cash bills and accounts payable. He knows, as all intelligent men know, that, in the last analysis, the business of the country rests upon credit, public and private; that the basis of credit is confidence in the certainty of the fulfillment of obligations; that that confidence is sensitive and liable to serious disturbance, sometimes by an undue expansion of trade beyond the demands of the country and in excess of the means of payment, sometimes by unwise governmental action, and sometimes by the intemperate utterances of demagogues in office or out of office. He, therefore, is assured that, at greater or less intervals, panics will come, and that, when there is no panic, there will be varying periods of greater or less financial stringency.

So far as regards his payment of wages and minor disbursements, he asks of the banking and currency system of the country that, under strained, as well as under easy, conditions, his checks against the credit balance of his banking accounts be cashed on demand in currency of full purchasing power, and in the desired kinds and denominations. So far as regards his purchases of raw material, his sales of finished product, and the general conduct of his business he asks of the banking system of the country just what the merchant asks; and that is, that the system should minimize, rather than make greater, the disastrous effects of panics; that when he most needs loans, by which

to anticipate receipts in times of stringency, and when he furnishes collateral acceptable, and is ready to pay discount rates satisfactory, to the lender, he should be certain to receive the indispensable accommodation; and that, whenever asked, his banks should, upon reasonable terms, give him, or obtain for him, every facility in foreign bills of exchange, in inland drafts, in telegraphic transfers, and also in bank acceptances, which acceptances ought to, but cannot, under existing legislation, be issued by National banks.

It is a truism that people of limited resources suffer more in hard times than people of large resources, and that working people, generally dependent upon their wages for their daily bread, suffer most of all when adverse conditions compel the diminution, and sometimes the stoppage, of work, increase the prices of the necessities of life, and require them to draw upon their too scanty savings. They are, of all people, the most deeply interested in the establishment and successful operation of a banking and currency system, which will, to the extent that any system can, ensure commercial stability, facilitate continuous employment at good wages for all who are willing and able to work, and make certain that wages, when paid, will be paid in currency of full exchangeable value.

Those of us who had to face the panics of 1893 and 1907, with their melancholy records of closed factories, and idle workmen, unnecessary insolvencies that might have been averted if prompt and adequate relief could have been given, and widespread suffering—all of us who are now in touch with the business of the country—well know how far and in what respects the existing banking and

currency system falls short of that which the growing commerce and expanding trade of the United States demand.

The plan of monetary reform based upon the formation of a National Reserve Association, with its constituent branches and local associations, will give the needed relief. While preserving the independence of the individual banks, National and State, and the existing relations between National banks, it extends to the whole country, and to all banks, State as well as National, an effective means of obtaining that concert of action, invaluable in times of panic, which heretofore has only been possible in cities having Clearing Houses. It makes it possible to substitute for the present safe but inelastic note-currency, a currency that will be as safe, and which will automatically expand and contract in accordance with the demands of the trade of the country, and which will be forthcoming, in good times and bad times, when and as needed, and only when and as needed. It makes available for common protection the present scattered and unavailable reserves of the individual banks. And, best of all, in providing the banks with an assured market in which they can rediscount their paper of short maturity and thereby convert that paper into reserve funds it strengthens the position of the banks, and it enables the banks to assist their customers when that assistance is most needed.

When this project of real reform shall have been crystallized into legislation, the laborers and the manufacturers of the country will join in gratitude to Senator Aldrich, whose patriotism and whose genius have made the reform possible.

Relation of the National Reserve Association to the Foreign Trade and Banks and the World's Financial Center.

BY FRANK B. ANDERSON, President of the Bank of California, N. A., San Francisco.

GENTLEMEN: In order to present my views on the subject which has been assigned to me, I find it necessary to refer briefly to a few facts in our history.

For a great part of our life as a nation our activity has been directed mostly towards internal development, to the assimilation of a rapidly increasing population and to the settlement of our arable lands. Barring a few setbacks, we have enjoyed great prosperity; our home markets have been more tempting and more profitable than foreign markets. Our manufacturing plants increased in magnitude until they became far greater than necessary to supply the home demand; congested markets and the economic necessity of running these plants under as full headway as possible, gave us the incentive to seek an outlet in the markets of the world. Great prosperity increased the purchasing power of our people, and the world sought our markets with those commodities which we could not produce or which it could sell in competition with our home industries. The sum of these exports and imports made up our foreign trade which, in the early sixties, amounted to approximately \$600,000,000, and has increased to approximately \$3,500,000,000.

During the period that we were busy with internal development, England, Germany and France were adding to and cultivating their foreign commercial relations, intrenching themselves at strategical points of distribution, obtaining a foothold through concessions and gradually spreading their influence until they dominated the situation. They have fostered their merchant marine in the belief that trade followed the flag; have established banking institutions or affiliations everywhere; have invested millions of capital in every land and established commercial firms in every port, in fact, in every city of any im-

portance. England has been the most active, but of late years Germany has been a successful competitor in many of her richest markets. These countries have colonized many lands; their capital has exploited many countries and developed their natural resources; they have captured the bulk of the trade and carry it in ships flying their own flags. You will find them in control at those points which command the trade of the different countries and where navigation is most profitably followed. Exchange moved in favor of or against the interested countries as trade fluctuated. England enjoyed the greatest advantage because she was first in the field and her banking machinery was adapted to the business of clearing the world's transactions.

With inadequate banking machinery (a great part of which was created to finance the Government rather than to finance business) our active and aggressive people have succeeded in building up a large and increasing foreign trade. To accomplish this, we have been forced to borrow the financial machinery of other countries and to pay, annually, millions of dollars for the use of it; incidentally, with every transaction adding to the prestige and supremacy of the financial center to which we have had to appeal. These centers are created by trade movements and, given an equality of financial machinery, would follow the shifting of trade centers. We have in this country all the fundamental conditions favorable to predominance in the world's trade—vast natural resources; intelligent, aggressive, inventive people; and a commanding stock of gold. If we take advantage of our opportunities intelligently, it would seem that increasing importance in the world's trade is inevitable. On the other hand, if we are to compete with the world—especially with England and Germany—we will

have to change many of our theories and conventions and equip ourselves with the necessary machinery.

In a few years we will complete the Panama Canal, and may say we are at the threshold of a new phase in the world's history—a phase that will deal mostly with the development of the countries bordering on the Pacific Ocean. A new impulse will be given to commerce, mighty changes will be made in the trade routes of the world, and we believe that the United States will receive more benefit than any other country. Our geographical location will, through the use of the Canal, give us a decided advantage over our competitors for the trade of the countries bordering on the Pacific Ocean—countries which contain a world of undeveloped resources. This trade will give a new impetus to our manufacturing plants, especially in cotton and iron, and will greatly stimulate the ship-building industry.

The Atlantic seaboard and the Middle West (with an outlet down the Mississippi River), where the centers of activity and the densely populated parts of the United States are located, will be brought nearer to Australasia, Japan and the west coast of Central and South America, than England, Germany and France; and the same sections of the United States will be given a geographical position approximately equal to that of its most serious competitors for the trade of China, and will have a manufacturing advantage through the necessity of its competitors seeking raw material outside their borders.

We have strategic points on the Pacific Ocean which will aid us in our efforts to increase our traffic. We lack ships to fly our flag and carry our trade—in fact, what trade we have is dependent upon the peace of Europe. Our sales and purchases are carried, through the courtesy of rivals, for a tribute which offsets, in a measure, the excess of our exports. If the Government can find a way to allow ships flying the American flag, both those employed in the coastwise trade and those bound to foreign ports, to pass through the Canal free of toll, or to give them a bounty equal to the tolls which they would have to pay, we would be able to escape from this dangerous, expensive and humiliating position, and would gain an advantage over our competitors for the trade of the Pacific that would more than justify the cost of the Canal.

In order to take our place in the world's trade we need an efficient banking system, a merchant marine, and a better knowledge of the purchasing power, the resources, the necessities, the manners and customs of the countries where our trade can be extended, and an education which will enable us to negotiate with the people in their own language. The banking system must be able to extend credits in accordance with the usages of the various countries and be of such a nature as to give the world confidence that it can, if necessary, immediately realize upon the bills of exchange created by our foreign trade. Ultimate solvency is not sufficient; there must be no doubt about our ability to pay gold. We must relieve our merchants of the necessity of speculating on the rates of exchange which they cannot escape when they have to trade under credits that call for payments in sterling, or have to bill their goods in sterling. The relation that such a system will bear to our foreign trade will depend greatly upon the success which meets our efforts to build up a discount market, in order to absorb the bills of exchange which are created by that trade. This market cannot grow to any great importance without the privilege of going to the National Reserve Association in case of need, and the Association cannot perform its functions intelligently or safely unless it can make its rate of discount effective; in other words, unless it is given the power to protect itself by influencing the rates of interest throughout the country. The banks will stand between the Association and the public, but the Association must be able to influence the banks, if it is to be a successful guardian of the gold reserves of the country.

Foreign bankers, especially those in the great financial centers, view with some alarm the inability of our bankers to control their reserves and to protect themselves in times of uneasiness. The scramble for gold on the part of our banks, to build up their waning reserves, not only intensifies the uneasiness here, but influences the foreign bankers and investors to sell our securities, to hesitate when applied to for help, and to call their loans. The high rates of interest which ensue do not attract foreign money; on the contrary, they repel it and cause the foreigners to sell the American stocks and bonds which they had previously bought for investment, through the fear that we will not be able to control the situation. These sales are made on a falling market, add to the general uneasiness, and give the foreigners a call on our gold supply at a time when we are struggling to maintain it. Our imports shrink and our exports are forced on the market in an effort to get relief.

In 1907 there was, for a short time, a question about the ability of our banks to move exports, owing to the difficulty in selling foreign exchange in our money centers. The hesitation was slight, but contributed more to the loss of confidence than any other one thing, as the movement of these exports meant the power to realize on merchandise against which the banks had made loans.

Will the National Reserve Association of the United States give us the necessary machinery to enable us to seek foreign trade, and to deal quickly and intelligently with the great banks in the financial centers? The revised plan submitted by Senator Aldrich to the National Monetary Commission is tentative, as I understand it. Discussions from different points of view are wanted, and suggestions have been invited from all classes of the community. The plan as it stands is unquestionably good, but what should concern us most is whether or not it will work practically. With this idea in view, let us assume that its charter has been granted, and that it is in existence; the Government of the United States and those banks owning stock in the Association are its only depositors, and all domestic transactions of the Association are confined to the Government and the subscribing banks, with the exception of the purchase or sale of Government or State securities, or securities of foreign governments, or of gold coin, or bullion. As its domestic activities are confined to the Government and the subscribing banks, the thought naturally arises as to what becomes of those banks which do not subscribe. The non-subscribers, State and National, will continue to do business with the reserve and central reserve cities, and many of the subscribers will do likewise, with the added confidence that their reserve city correspondents have been placed in a position where they can take care of all legitimate transactions in fair weather and foul. They deal now with certain banks because they have confidence in them, because they know and like the officers, and because those banks have confidence in them and their integrity, and know their communities and the class of loans which they are called upon to make. Legitimate business will no longer be told that loans cannot be made until the crops are moved. The fact that these crops are moved without making violent strains upon the reserves of their correspondents will create confidence in their minds and in the minds of bankers in foreign financial markets. The only question between the legitimate borrower for commercial purposes and his banker will be that of the rate for the accommodation, and when the rate becomes sufficiently attractive, the foreign banker will be in our markets as a purchaser of the bills of exchange which will be brought into being under the new plan. The National Reserve Association, freed from the necessity of making such profits as our banks seek, is watching the situation and controlling it through the influence of its rate, which is uniform at all of its branches; it has formed connections with the great banking houses of the world; has their confidence; can, without fear or hesitation, part

with gold to aid them in their problems, or arrange to obtain gold from them to help it solve its own problems.

Agencies have been established in the larger cities of the world which dominate and control the trade of their respective countries, not only buying, selling and collecting foreign bills of exchange arising from commercial transactions, but studying the trade conditions and sending home knowledge which will enable our exporters and importers to extend their business and to operate more safely and intelligently than they can today. The "Local Associations" will have to be formed in order to carry out the plan and perfect the machinery, but the necessity for their use will seldom arise, and the crisis will have to be of a very desperate nature before the banks will be willing to appeal to them. The head of the Department of Commerce and Labor is a member of the Board of Directors of the Association; he will have an opportunity of coming into intimate daily contact with the financial affairs and business needs of the country; he will be able to render valuable aid to the trade of the country through the machinery of his department and will be in a position to advise and recommend to Congress such legislation as is necessary for the benefit of trade—in other words, the Department of Commerce and Labor can co-operate and act as an agency for the development of trade and commerce. The new Tariff Board will no doubt work in close touch with the foreign agencies of the Association as well as through consular bureaus, and will be able to give intelligent advice to Congress as to what changes in the tariff would aid in securing the trade of foreign countries without sacrificing our own. Intimate contact with the problems of business will give the Government representatives in the board of the Association an opportunity of understanding the probable effect of proposed legislation before it is placed on the statute books.

Banks other than the agencies of the National Reserve Association will be established in foreign countries; American capital will be appealed to to aid in developing natural resources and to aid in financing enterprises, opening up profitable fields to our commerce, and adding to the prestige of our financial centers. Every foreign dollar that is captured will contribute towards the prosperity of our people and aid them in giving employment to labor.

The provisions of the plan under discussion make everything that I have outlined possible, except the clause which reads "In addition to the rights now conferred by law, National banks shall be authorized to accept commercial paper drawn upon them, having not more than four months to run, properly secured, and arising out of commercial transactions." This will enable the National banks to do a great portion of the business which is now done through the aid of London, but not all of it. To my mind, the reservation that the bill of exchange must arise out of a commercial transaction is sufficient without limiting the bill to four months. Sailing ships still carry cargoes, and many legitimate transactions are presented which cannot be consummated within the four months. For instance, when this paper was being prepared, the bank which I represent was called upon to give a credit authorizing six months' drafts on its London correspondent covering coffee to be shipped in a sailing vessel from Java to New York. The coffee benefits by the long, slow ocean trip, and arrives at its destination materially enhanced in value. I cannot imagine any more legitimate commercial transaction, and cannot understand why we should legislate against business of this character. The practice abroad is to grant short credits in transactions within their own borders, but to grant credits outside which will bridge over the time necessary to make the transactions possible. In granting foreign credits under our present system we now exercise great care, and will not grant such credits as authorize four-months' drafts on our foreign correspondents, if we know that the transaction does not require more than ninety days, nor will we grant credits allowing

sixty-day drafts when we know that thirty is sufficient. The clause as it now stands does not prevent our doing the business, but it places us in a position where we will only be able to do part of it with our own machinery, and will have to continue to borrow London's machinery to do the balance.

The provision that the acceptances of the National banks will have to be properly secured will need interpretation. Many of a bank's transactions that have no specific deposit of security back of them are more secure than those with specific security. A clause in the bill to the effect that the banks could not make loans except when properly secured, would, in my opinion, be just as sensible as a clause that they cannot accept commercial paper unless properly secured; the banks try not to make loans of any kind unless they feel confident that the loan is good, and in lending their credit exercise greater care than in lending money; documents attached to time bills have to be delivered against trust receipts, and many legitimate transactions are presented where there is no specific security; for instance, we are often asked for letters of credit authorizing drafts against the receipts of the captain and engineer of a steamship for bunker coal bought in foreign ports. The coal cannot be regarded as security, as it is being consumed daily, and the bank has nothing but the guarantee of the shipping firm to protect it. In other words, it is practically a loan on the clean note of the shipping firm.

In operating through its foreign agencies, the National Reserve Association may purchase prime bills of exchange arising from commercial transactions running for not more than ninety days, and bearing the signature of two or more responsible parties. This fits the character of the foreign bills which will be available, but the agencies should be allowed to purchase American bills with documents attached and arising from American merchandise letters of credit; otherwise the demand for those bills in foreign countries will be small until such time as American banks are established. This demand for bills on American cities must be fostered, otherwise our importers will have to continue to use London credits.

The powers given to the National Reserve Association to deal in gold coin, or bullion, to grant loans thereon, and to contract for loans of gold coin, or bullion, giving, when necessary, acceptable security for their repayment, together with the other powers conferred upon it in relation to dealing with foreign countries, are ample to enable it to transact its business intelligently, and place it in a position where it can establish reciprocal relations which will enable it to co-operate with the great foreign banks, lending its powerful aid to help them in their emergencies, and attracting their aid when necessary to relieve the emergencies of the banks which rely upon it for protection.

I take it for granted that the power to deal in gold coin or bullion includes silver as well as gold bullion, as it will be necessary to deal in silver bullion in connection with the Orient and other silver-using countries. London's great prestige comes largely from the fact that it is the only free market for gold; the plans for the National Reserve Association, if properly supported, will give us the opportunity to challenge London's supremacy, but the standing of our bank acceptances abroad will depend largely upon the freedom with which we part with gold. As a rule, when a gold movement starts in any country, arbitrary means are employed to retard or stop it; even London, the freest of all markets, will unduly raise the price of gold and of foreign coin, releasing them only when a point is reached where her own sovereigns will be shipped if she does not. If we can gain the confidence of the world that gold will be released freely, it will be our greatest aid in retaining our own gold, as our financial paper will be bought freely and held until maturity, gold only being taken when absolutely needed.

The ability of the National Reserve Association to pro-

fect and control the legal cash reserves of the banks and to relieve them individually of that responsibility seems to me to be the crux of the whole situation. If any doubt of this ability creeps into the minds of the public, the banks, or the foreign banking and investing public, we will be back again to the position where these elements periodically compete with each other to see which can lock up the most gold. The plan says that "The rates of discount which the National Reserve Association shall have authority to fix from time to time shall be published when fixed, and shall be uniform throughout the United States." This means that the rate shall be uniform at its branches throughout the United States.

The power to make its rate effective would be the Association's greatest weapon of offense and defense. It will, if efficient, give the elasticity to our banking system which is so desirable—elasticity means contraction and expansion, not expansion alone. In normal times the influence of the Association's rate would be practically nil. Under the plan the Association would be a beggar at the doors of its depositors, dependent upon them for the investment of its funds; failing there, all of its funds would have to go abroad for investment. On the other hand, when the banks were loaned up and actual stringency existed, the banks would have to go to the Association and accept such terms as it imposed; that is, the Association rate will be effective only when the banks have to borrow. In other words, the Association can only act on the defensive and its influence will not be felt until inflation has gotten under pretty full headway. World conditions might be so settled that the Association felt that the business public was entitled to lower rates, and that there was no danger in allowing business to expand. It certainly would not be wise to encourage the banks to borrow the Association's money at such a time. On the other hand, it would be conservative for the Association to let some of its money out by purchasing bills in the open market, because it would be in a position to control the situation when necessary. The purchases of the Association would be only of the highest grades of short-time paper, and the competition with the banks would be practically negligible; the Association would certainly be able to serve the nation and the banks more intelligently and with more safety if it could purchase and sell in the open market. If the Association is to be charged with the responsibility of guarding the reserves of the banks and the gold supply of the country, it should be given the power to make its rate effective. If the lessons of history are worth anything, the Association will not be fully successful unless it can make its rate effective.

Provision is made for the banks subscribing to the National Reserve Association to hold the Association's notes as part of their reserve, but no such provision is made for those banks which do not subscribe. Under the existing laws the non-subscribing National banks, and a great many of the State banks and trust companies would not be allowed to hold notes of the Association as reserve money, and unless the notes of the Association are made lawful money, the National Bank Act and the laws of a great number of the States will have to be changed or the non-subscribing banks will drain the Association of its lawful reserve money as the National bank notes are presented for redemption.

If the Association's notes are made lawful money or the different laws are changed so that they can be held as reserve by all banks, the Association must be placed in a position where it can have a reasonable hope of controlling the volume of credit through the country. In other words, it must be able to make its discount rate effective.

The same banks which now hold National bank notes in their reserve will hold notes of the Association. The same affiliations which now exist between the National banks and State banks and trust companies will exist or be established between members of the Association and

non-members, and if there is any advantage in keeping the Association's notes from seeking redemption, they will be kept out just as the National bank notes are now. In fact, they will have to take the place of the National bank notes which are now being held as reserve money by the State banks and trust companies when these notes are retired, or some way will have to be found to shrink the credits of the country.

Every banker with whom I have discussed the question admits that the Association would be more efficient if given the power to buy and sell in the open market, but many say that this power would create friction with the existing banks, because they would fear the competition of the Association. There will be no competition worth talking about. Such as there is will be salutary, and will tend towards more stable and reasonable interest rates throughout the country. Bank earnings will be increased rather than decreased, owing to the greater volume of business which will be encouraged, and which can be safely done. The competition will be in the best interest of the business public, and it is through their growth and success that we grow and succeed.

I have read many able papers on the plan which we are discussing, and they all recognize the necessity of a regulating force to weld our banking system together, and seem to take it for granted that the plan creates this governing power. For instance, one writer says: "The fixing of the discount rate by the directors of the Reserve Association will give them more or less control over the expansion and contraction of credits throughout the country." Another says: "Through its power to raise and lower discount rates (a power which is now wisely used by such banks as the Bank of England and the Bank of France for the protection of their reserves as well as for the benefit of the trade of their respective countries) the Reserve Association could and would protect our national stock of gold, which is at present wholly unprotected." Still another writes: "The volume of credit through the country will be controlled by the discount rate of the National Reserve Association; it will be raised to check over-expansion and lowered to encourage legitimate operations in accordance with the conditions as they exist from time to time. The National Reserve Association will thus become the central power of a well-organized banking system—at once its main strength and its guiding and controlling influence."

The thought naturally arises, will the mere fact of the directors of the National Reserve Association naming a rate have any effect when their hands are so tied that they have no way of enforcing the rate and of making it effective. For instance, they wish to enforce a low rate to encourage legitimate transactions and for the benefit of the trade of the country. They can make no investments in this country except through the good will of their depositors, and it is certainly not sound to encourage their depositors to borrow money to expand their business when money is plentiful and times are easy. But as I have said before, it would be conservative for the Association to let out some of its money at such a time by purchasing bills of exchange in the open market because it would be in a position to control the situation. On the other hand, they wish to curb expansion; the banks are busy making money, they feel safe; the responsibility of guarding the legal reserves is not theirs; if they become over-extended they can go to the National Reserve Association; the directors raise their rate as a warning, the cautious banks pay attention, the others do not; the Association is not allowed to sell any of the domestic acceptances which it may have in its portfolios, and there is no other provision to absorb any of the money which is being so freely loaned; the directors see the storm coming, know they will have to protect the banks, but have to wait for the wind to blow hard enough to make their depositors take in sail. The Association will not have any control over the situation

until the demands of the great mass of non-member banks have put such a strain on their reserve city banks, who are members, as will drive those banks to the Association for help. If it had the power to sell in the open market it could force contraction, and it is only through contraction that it can prepare itself to fulfill its responsibilities towards the banks.

The relation of the National Reserve Association to foreign trade and to the money centers of the world will depend entirely upon the confidence that the Association will be able to instil into the minds of the foreigners as to its ability to control credits and defend the gold supply of the country, and the freedom with which it parts with gold. As I have said before, ultimate solvency is not sufficient; there must not be the shadow of a doubt in the mind of any one on the question of ability to realize at once through our discount market, and to get gold as a result. The extent of this confidence will determine the success of our efforts to build up a discount market and to pay for imports with drafts on American points.

We must keep in mind the fact that the Association is to be charged with the responsibility of keeping the ultimate lawful money reserve of the banks and with the protection of the gold supply of the country and also that the individual banks are to be relieved of this responsibility. Experience has proven that the supreme weapon of defense of an issue bank to protect its gold reserve is to raise the rate of discount, but the mere act of raising the rate would be of no avail if the power to make it effective were lacking. In other countries the great banks of issue are not only banks for banks, but for the commercial and industrial public. In our plan we propose to limit the domestic transactions to such an extent that the raising of the rate is no more than a cry of "wolf." The raising of rates will not decrease demands from the clients of the individual banks; for men with immediate liabilities will pay whatever rate is asked. These demands will be freely met until the pressure on the banks that are members of the Association drives them to that Association to ask for help. In other words, the Association can do nothing to enforce its rate. Its depositors are operating to make as great a profit as possible, are no longer charged with protecting their lawful money reserves, and know that in any event they can fall back on the Association for protection. The Association, on the other hand, is dependent on them to put the brakes on their clients and on perhaps fifteen to twenty thousand banks which are not members of the Association, and are confident that they are safe in any event, as their reserve banks can fall back upon the Association. The Association can do nothing; it can only wait, bracing itself for the demand from its depositors which will finally give it control of the situation. Inflation under such a system is allowed to get under too full headway before the Association can take hold of and curb it.

Experience has proven that the great banks of Europe are not serious competitors of the private institutions; their rules are more conservative, the lowest bank rate is, as a rule, higher than the rates ruling with the other banks. General business deals with the other banks because the controlling institutions do not pay interest on balances of any character, and because, as a rule, better rates can be obtained; its needs are better understood and the private institutions grant longer credits.

If I had more time I would like to touch upon the question of the retirement of the National bank notes and also on the question of taxing the note issues of the National Reserve Association. The amount of intelligence displayed in solving these questions will determine in a great measure the relations which the Association will bear towards foreign trade and towards the money centers of the world, for the reason that whatever decision is reached will have its effect on the efficiency of the Association.

To my mind the American people have as great an inter-

est in getting rid of the National bank note as the National banks have. These notes are being used as a basis of credit for several billion dollars; are based on promises to pay largely without maturity date and without one dollar of gold back of them. True the Government promises to keep all money on a par with gold, but conditions are conceivable which would make it difficult if not impossible for it to keep that promise. This danger has been recognized, and it is to be hoped that no more bonds will ever be issued with the circulation privilege. All of the present 2 per cent. bonds should be purchased by the Association and presented to the Treasury Department, to be refunded into 3 per cents. in order to place them on an investment basis, and the Association should, as opportunity presents, and at any time that the Secretary of the Treasury will permit, sell these bonds at home and abroad and retire a like amount of its note issue, gradually substituting gold for its notes.

The refunding plan suggested by Senator Aldrich, in my opinion, evades the issue and attempts to put a burden on the shoulders of the banks and private investors which should be placed on the nation as a whole; it destroys the market for all of the 2 per cent. bonds which are not turned over to the Association, and forces the National banks to join the Association to protect themselves from loss; it makes no provision to refund or protect the bonds which are not now deposited to secure circulation, and reduces their value about 30 per cent. It places a franchise tax on the Association of $1\frac{1}{2}$ per cent. during the fifty years of its existence, based on the theory that the banks now pay $\frac{1}{2}$ per cent. on their circulation, and to cover the extra interest which the Government will have to pay.

The Association is to be the instrument of relieving the nation from the economically unsound position which it now occupies on account of the bond-secured notes, and is assuming a great risk in taking for granted that bonds bearing 3 per cent. interest can be sold at par over a period of years and at such times as the Secretary of the Treasury is willing to permit them to be sold. The nation would run practically no risk in refunding the 2 per cent. bonds into threes, as the Association's earning power will be great—and all of the profits over a small percentage go to the Government. I regret that the suggestion is being made to use part of the Government's share of the earnings to aid in refunding the 2 per cent. bonds, as in my opinion all of the profit which the Government receives should go towards cleaning up its economic position. In other words, these profits should be used to retire the greenbacks, to put more value back of the silver certificates and to retire the Government debt. In time these obligations of the Government would be retired without calling upon the public to pay any additional taxes.

The question of fixing the discount rate by the Association should be clearly stated by Congress so that the institution will not be hampered by the usury laws of the different States.

I am in favor of the general plan suggested by Senator Aldrich, but I believe it fundamentally wrong to tie the Association's hands so that it cannot enforce its rate. It has no doubt been done to prevent any competition with the existing banks, but such competition as would occur would be in the interest of all of the banks of the country outside of the central reserve cities, and the more important reserve cities, and in the interest of the entire business public in this country; and the facilities which the Association would give the reserve and central reserve city banks, added to the power to do a greater volume of business with safety, would more than offset the small amount of competition which they would receive.

The State banks and trust companies should be encouraged to join the National Reserve Association, but not on more liberal terms than the National banks. They have multiplied more rapidly than National banks. The reason

they have done so is that they are better fitted to meet in competition the business needs of the communities where they exist. In my opinion the great majority of these institutions will seek a national charter if the National Bank Act is so liberalized that they can enter the system without giving up the competing advantages which they now enjoy. They will at least have the privilege of doing so, and when nationalized can then have the privilege of joining the National Reserve Association. The business which they are doing is legitimate, and is necessary to their communities; and it certainly would be sounder common sense and better morally to allow a National bank to do a commercial, savings and trust business openly, in its own banking room under one supervision and one set of regulations, than to do the business through subsidiary corporations next door or down stairs, under a different set of laws and under different supervision.

If we are to have a National Reserve Association, it should be so armed and equipped that its responsibilities could be met successfully. The supreme responsibility of the Association is to defend the gold reserves of the country

and through them to insure financial security to the business public.

No selfish interest on the part of the existing banks who are to be the shareholders of the Association would justify their asking that any concessions be made to them, particularly if such concessions would have the effect of weakening the efficiency of the proposed Association in a vital and fundamental function. The business public of the country looks to us as bankers to solve the question, as experts, and has the right to expect that the plan we recommend is sound in every respect and free from any personal selfish consideration.

Mr. President and Gentlemen, let me say in conclusion that in all the great questions which are before the public today, we are dealing with fixed and immutable principles. We may blunder, but these principles will not change; the laws of economics are just as sternly certain in their operation as the laws of health. We can violate either, but must pay the penalty; it matters not whether the violation is of our own volition, or by reason of the statutes of the United States.

Rediscounts and Book Credits.

BY GEORGE M. REYNOLDS, President of the Continental and Commercial National Bank, of Chicago, Ill.

Mr. President, Ladies and Gentlemen of the American Bankers' Association:

In view of the agitation for currency legislation which has been going on during the past three or four years, or since the panic of 1907, which brought the citizens of this country to a realization of the pressing need for currency reform, I assume that the business public, generally, recognizes the weaknesses and the deficiencies of our present banking and currency system, and I shall not, therefore, make any extended reference to it.

In many respects it has great merit, but, on the other hand, its faults are so many and so apparent that, like the chain, it is only as strong as its weakest link and it fails utterly in great crises when confidence has been disturbed and there is a tendency on the part of the public to hoard money.

While it has given us a uniform circulating medium in the National Bank United States bond-secured note, the fact that such notes have been inelastic and thereby unable to respond to the requirements of business has made it impossible for the banks of the country under certain conditions to furnish currency in sufficient quantities to meet the demands of trade.

The reserve requirements under our National Banking system are such that an effort on the part of one bank to increase its own reserve must of necessity result in its withdrawing funds standing to its credit with some other bank, thereby reducing and weakening the reserve of that bank.

The system is unscientific, and the fact that it has served us as well as it has, and that we have not had more frequent panics or seasons of severe depression in business, is due very largely to the growing use of credit in business transactions in this country, one of the most used instruments of which is the bank check.

Where formerly currency had to be sent to the country for crop-moving purposes, the enterprise of the country banker, so called, has resulted in the majority of our farmers opening accounts with the various banks throughout the country, and today the major portion of the products of our soil are paid for in checks given to the framers, who, in turn, deposit such checks in their local banks and take credit for them. They, on the other hand, pay their obligations to their creditors with checks on the bank, thus making each transaction one in which credit has

been the agent of money itself. Indeed, this practice has become so general that fully ninety-five per cent. of the business of the country is done on credit.

This being so, credit becomes one of the most potent factors in all economics, and credit to be stable must be protected by a system of currency and banking which, while providing for an amount of credit necessary to meet the reasonable requirements of business, will prevent an over-expansion of credit and at the same time make it possible to transfer or exchange liquid credits of solvent concerns of one form into credits of another form, and even into a circulating medium or bank notes when the necessity for such exchange exists.

In business there are different forms of credit, the initial form being that created in a transaction between two individuals or concerns through which one gives to the other his note for the amount due or where the other charges the debtor on his books with the amount.

If the credit thus created is protected by the solvency of the debtor it is intrinsically as good as any credit, but we will assume that inasmuch as "A," the debtor in this instance, is not known a long distance away from home, and the extent and character of the property which he owns and which is a protection to his debt is unknown to the public generally, it is impossible for "A's" note to be passed from hand to hand in the payment of obligations between others having business relations. So the owner of the credit, "B," if he wishes to use his credit in some other business transaction, must transfer it into some other form of credit which will be acceptable to the person with whom he contemplates dealing. To do this he takes "A's" note to the bank and discounts the same and takes credit in his own account for the proceeds and draws his check on the bank for the amount of his transaction; or he may, with the proceeds of the note thus discounted, buy from the bank a bill of exchange or a banker's draft on its correspondent, which bill is given by him in payment of the debt thus incurred.

This, then, is using bank credit instead of "A's" credit as the transactions of business progress, the check of the bank on its correspondent being a still higher form of credit than the check of "B" on the bank itself, unless, indeed, "B's" check is certified; in which case, of course, it then becomes the instrument of and carries with it the credit of the bank as well as the credit of "B," the maker of the check.

Now, the note which "A" gives "B" is still in the hands of the bank, and yet the amount of that note has been used by "B" in another direction through having had it converted into a bank credit.

Let us see what becomes of this credit which is represented by a bank credit or a banker's bill of exchange.

"B," in his transactions with, we shall say, "C," gave this check or bill of exchange to "C" in payment of his obligation, but "C" expecting to leave the community in which he had resided and intending to go to some remote section of the country where in his mind there might exist some doubt about the financial responsibility of either "B" or the banker being known, does not wish to carry a check or a draft or bill of exchange with him, and so goes to the bank and, instead of taking credit for the amount of the check, he draws currency for the same, and the bank gives him currency in the form of bank notes which are known throughout the country.

So, in these transactions, we see the credit created in the individual transaction between "A" and "B" exchanged for other forms of credit and used in other business transactions until it finally falls into the hands of some one who wants currency, thus converting, through these processes, the credit represented by "A's" note into a circulating medium.

Now, my friends, credit, if it is stable and properly safeguarded and protected, must be exchangeable into these different forms of credit and finally into currency, the highest order of credit, which is widely known and generally acceptable.

Therefore, it must be clear to you that the banker is a dealer in credit, but when he sells his credit, through discounting paper or in any other way, he knows he must be able to protect that credit by always being prepared to pay money on demand against the credit he extends. This requires that he must keep on hand an amount of money known by experience and measured under the law of averages as being in a proper relation to his outstanding credits.

This requirement of carrying a proper reserve against his outstanding credits in order to enable him to pay cash on demand against those credits is the safeguard of the prudent banker against over-extension of credits.

Since the credits of a community arising from the profits of the industries in that community are pretty generally concentrated in its banks, the shipment of its products to the markets of the world naturally increases the balances of the local banks in the reserve centers, for when a carload of the products of a community goes forward to market it is generally represented by a bill of lading which the shipper takes to his local bank and attaches to a draft upon some commission merchant at the destination of the shipment, which draft is generally drawn for from 75 to 80 per cent. of the value of the shipment. This draft is deposited to the credit of the shipper in his local bank, thereby increasing the deposits or the credits in that bank. The bank, in turn, forwards the draft with the bill of lading attached to its correspondent in the reserve center most convenient, which, as you will see, increases the amount of the credit of the local bank with its reserve correspondent.

This process, then, represents the marketing of the products, or one side of the business transactions of that community, and if we were to stop here we would find the deposits as well as the cash means of the local banks at the highest point of the year; but there is another process which is going on all the while, and that is the process of the importation of whatever commodities, such as dry goods, groceries, hardware, etc., the people of the community do not produce among themselves and which must be brought in from other places where they have products of this character to spare. All products thus imported must be paid for, and this is accomplished through the merchants in the local community purchasing the drafts or bills of exchange of the banks of that commu-

nity upon their reserve correspondents, which are forwarded to the centers from which these commodities are purchased.

In these transactions the merchant in the local community writes his check upon the bank for the amount of his obligation, takes it to the bank and exchanges it for the bank's draft upon its correspondent in the reserve city, which he, in turn, forwards to the wholesale house in the city where his purchases were made, and in due process this check is finally forwarded to the reserve correspondent of the bank in the local community, with the result that it is charged to the account of that bank.

Thus you will see that through this process the credits which were built up in the local banks and with their reserve correspondents are gradually diminished; you will also see that the debts and credits in every community center more or less in the banks of that community, and through this process of offsetting or cancellation which the banker can employ, most of the debts and credits adjust themselves and are discharged without the use of money, the bank being compelled to pay out money only when someone demands it against a credit which has gone away from home and has not fully served its purpose and has not reached its proper destination.

This, my friends, is the natural trend of the business of a bank, as, indeed, it is the natural trend of all business, and if we safeguard our business against recurring panics and seasons of extreme depression, we must have a system of currency and banking for the protection of credit by means of which our liquid credits can be used and exchanged as I have indicated, thus making it possible, when needed, for a bank to convert its liquid assets, which consists in great part of notes of solvent concerns, into other forms of credit, even to the extent of being able to convert same into currency or bank notes when necessary.

This is absolutely impossible under our present system because of the inelasticity of our bond-secured National Bank notes.

Thus you will see that if a bank cannot convert its liquid assets into bank credits or bank notes in times of need that bank must, if called upon to do so, pay lawful money against such credits, thereby impairing its reserve.

This condition, naturally, restricts the amount of credit a bank can extend, no matter how imperative the need for credit may be.

It is to correct these inefficiencies in our present banking and currency system, and to protect credit in this country through making the credit backed by the solvent debtor exchangeable for such forms of credit as the holder or owner of the credit may demand, that we need currency legislation. The inauguration of a system of currency and banking such as will give to business these facilities is the basis of the plan proposed for the organization of the National Reserve Association of the United States.

THE RELATION OF THE NATIONAL RESERVE ASSOCIATION TO THE BANKS OF THE UNITED STATES.

The proposed plan was conceived upon the premise of giving to the small banks of the country the same facilities that the largest banks would enjoy, and it has been designed to insure the entity of our banks, and to protect them from competition of the Reserve Association and other large banks through making it impossible for branch banking to be established in the United States.

It was, at the very beginning of all study of the question, the consensus of opinion of all engaged in the work, that any plan which would be effective must include the smaller banks of the country and enlist their co-operation. In order to do this it was provided that banks throughout the country operating under either Federal or State charters, desiring so to do, may become a member of and participate in the benefits of the Association by subscribing for stock in the Association in amount equal to 20 per cent. of the capital stock of the subscribing bank. Whether or not a bank becomes a member of the Association is left to the option of each bank as the plan nowhere compels any action on the part of the banks.

Subscribing banks will be required to pay in 10 per cent. of their capital stock, upon which they will, if it is earned, receive a dividend of 5 per cent. and all earnings in excess of that will go to the Government, except an amount necessary to provide an adequate surplus fund.

Each bank a member of the Association is given the right to discount through it an amount of paper equal to its, the member's, capital stock, and in addition it may if desired accept drafts drawn upon it for an amount aggregating one-half of its capital.

Paper to be eligible for discount by a bank with the Association direct must have not longer than twenty-eight days to run after, and furthermore it must have been dated not less than thirty days prior to the date of its discount. This restriction is made for the purpose, first, of confining the operations of business done through the Reserve Association representing the natural and automatic demands of trade, and second, to create safeguards against over-expansion of credit. These restrictions prevent a bank from making up for rediscount paper which has not come through the natural channels of business. Additional safeguard against over-expansion is provided in that the notes issued by the Association to be used as a circulating medium, in excess of those issued to take the place of our outstanding National Bank notes, shall be taxed when the reserve of the Association falls below 50 per cent. of all its liabilities, the tax to increase as the reserve decreases. An imposition of a tax on its notes would mean that interest rates would be advanced, and it is a well-established principle with the great banks of Europe that the raising of the rates of interest serves the two-fold purpose of replenishing their reserves and discouraging speculation.

In times of extreme pressure additional facilities will be afforded for discounts through the medium of the Local Associations, which subject will be discussed by another speaker.

The fact that the plan does not provide for any change in the deposit or reserve relations now existing between banks does not make it in any sense revolutionary, but on the contrary it will be only a voluntary co-operative organization among the banks, forming an institution of refuge to which the banks of the country can turn for assistance in times of stress or storms, creating an organization into the vaults of which the reserves of the banks may be mobilized in order that they may stand as a bulwark of protection to our credit system.

While it provides for centralizing the reserves of the country it does not provide for centralizing the power; the assembling of such large reserves will create an increased ability to extend credit, for that power will be decentralized and be turned back to all of the banks instead of remaining in the hands of bankers in the Central Reserve cities as is now the case.

To secure credit now the public must depend upon the ability and the inclination of bankers in those cities to furnish it, but if the Reserve Association is formed the country banker, as well as the city banker, will be given the right by law, as he will by the very nature of the plan, an assurance that he can secure, through rediscounting paper with the Reserve Association, the credit necessary for the protection of the industries of his community when they are conservatively managed; therefore, the plan, while providing for the centralizing of our reserves, provides for a decentralization of credit which, in view of the fact 95 per cent. of our business is done on credit, means the decentralization of the business power those reserves create.

I hope you will get clear in your minds that under the principle that reserves are held only as a protection to credit, and that since credit itself is the controlling power in business, the credit large reserves will justify is given back to the members of the Association, or the thousands of banks located all over this country, thereby decentralizing and taking away from the control of a few that power so vital to business life.

The plan proposed is not a wide departure from our present system. Rather it augments and widens the system, correcting the weaknesses in the plan and furnishing the machinery for the natural ebb and flow of business and a constant increasing and decreasing of credits and the rise and fall of the amount of bank notes in circulation.

The plan of the National Reserve Association is based on these essential principles:

First, that it will be able to protect our credit by extending credit to the amount of all reasonable requirements.

Second, that through it credits could be exchanged from one form into or for credit of another form, thus making it possible through the process of business for any form of credit to be exchanged into or for bank notes, or the highest form of bank credit.

Third, that the character of the paper it would discount would very largely prevent over-expansion of credit and confine the credit it would extend to the natural channels of business.

Fourth, its circulating notes would be elastic and respond fully to the requirements of business, and yet at the same time the tax which would be imposed upon such notes when the reserve of the institution would fall below 50 per cent., would be an additional safeguard against over-expansion.

Fifth, it would assure less violent fluctuations in interest rates and provide credit to all banks at the same rate of interest.

Sixth, it would either prevent panics or minimize their effects.

The adoption of the proposed plan would enable a banker in a small community to exchange his draft for 75 per cent. of the value of a car of grain, when accompanied by a bill of lading, into either bank credits, through the use of which he could liquidate his indebtedness, or he could exchange that bill of lading credit into bank notes or currency through the National Reserve Association, which bank notes it is provided shall be secured one-third by gold coin and two-thirds by commercial credits of the character I have described.

The tentative plan of the National Reserve Association as proposed provides such a unique manner for the election of its directors and officials who will be charged with its management as to preclude the possibility of its ever falling into the hands of any individual, interest or clique to be operated to their advantage and against the welfare of the masses of the people; and its plan of organization and management is calculated to prevent the institution from ever in any wise becoming a political issue or being subject to the control of any political party or coterie of politicians.

If the proposed plan becomes a law it will provide an institution which will be able to extend credit in proportion to all the reasonable needs of business in this country, and at the same time safeguard against the over-expansion of credit.

It will provide also a system of bank notes which will be sufficiently elastic to enable any bank that is solvent and in good standing to transfer or exchange its liquid credits into whatever form of credit the requirements of the community would make it convenient for that bank to furnish, even to the extent of furnishing currency itself.

The fact that any bank in good standing could discount with the institution the paper of solvent concerns which would not have exceeding twenty-eight days to run, but which would be dated thirty days prior to the date upon which it would be discounted, would provide a means through which there would be an automatic ebb and flow of credit as the needs of business would require.

If you are a banker in a local community at this time operating under a National charter, or any other charter

for that matter, you cannot under the existing law extend to the people of your community credit in an amount which will be out of proportion to your reserve or which will impair your reserve below the legal requirements, no matter how great the needs for credit of that community may be.

The fluctuation in the yield, as well as the value, of crops produced year after year makes it necessary some seasons to use an infinitely greater amount of credit in moving the crops than is required in other years, and I contend that our system of currency and banking should be such as would enable the local banker in a community to secure, through the use of the notes of solvent people in the community, backed by the products of the soil, whatever amount of credit would be necessary to move his crops.

The proposed plan of the National Reserve Association, having been constructed along scientific lines, would make it possible, through the use of this institution in connection with a bank in any community, to secure whatever amount of credit might be necessary to supply the reasonable and conservative needs of that community where the requirements for credit would exist.

The plan proposed has been before the people for many months and it was put out in a tentative form for the express purpose of inviting a discussion, with a view on the part of the members of the National Monetary Commission of having this discussion disclose whatever weak points, if any, there were in it.

As a result of this discussion many modifications of the original plan have been provided for, and will be covered in the bill itself when it is prepared for introduction into Congress, and, indeed, most if not all of the points which have been criticized in reason have been taken into consideration in the preparation of the revised plan, and I am confident that it will, when introduced, meet with the approval of business interests and the public generally.

Now, some people have an impression that this is a bankers' bill or a bill intended to be solely advantageous to the banks of the country. This is not true, for the banks will not share in its benefits in any greater measure than will any other line of business which is dependent upon the use of credit in its transactions.

If the bill is adopted and it accomplishes what we hope for and expect it will accomplish, all lines of business will be benefited, in that we will not have frequently recurring panics and seasons of extreme depression when business is at a low ebb.

It is a bill well calculated to serve all of the business interests of the country, and it is, therefore, a business man's just as much as it is a banker's bill or my bill; and whether or not it ever becomes a law will depend upon support and activities of the people generally quite as much as upon the support and activities of the bankers throughout the country.

In some quarters criticism of the bill has been made which has been based entirely upon prejudice, and this, my friends, is to be greatly regretted, for since the question of currency legislation is without doubt the one of the greatest importance before the American people today, I hold that it should be discussed and treated entirely upon its merits, free from all prejudice and vituperation.

Prejudice and selfishness are restrictive and cannot possibly be constructive, as construction and growth and development must be founded on confidence.

The bill is not a partisan bill, and the only hope of its becoming a law depends upon our ability to keep it out of politics.

Commerce is not partisan; industry, credit and currency are not partisan; character, integrity and personality are not partisan! Then why make partisan any measure which treats only of these non-partisan qualities?

I have an abiding faith that when the people of this country awaken to the importance of this legislation they will put aside all feelings of prejudice and selfishness and

treat the subject entirely upon its merits; in which event I have full confidence in the belief that the bill itself will enlist the support and co-operation of business men generally regardless of what their party affiliations may be.

It is my belief that the representatives of the people at Washington, no matter in what branch of Congress they may be, desire to cast their votes upon all these important questions in accordance with the wishes of their constituents. Therefore, the most effective way to further the cause of currency legislation is to interest all business men, generally, in this subject and secure their co-operation in our efforts to have it inaugurated into a law.

I contend that this bill has been constructed upon the theory of giving to the smallest bank in the country the same privileges and the same prerogatives that it furnishes to the largest institution; and, too, I contend the wage-earner who is dependent upon a continuation of prosperity without interruption should favor the adoption of this bill, as such an institution as it contemplates will, in active operation, be the means of preventing these frequent seasons of depression which result in throwing hundreds of thousands of men out of employment.

I contend that the farmer should be enthusiastically in favor of this bill for the reason that it gives to him an assurance that his note, if he is solvent and it is protected by grain and live stock which he produces, can be discounted by his local bank, because the local bank, in turn, will have the right to discount it with the National Reserve Association, which will furnish him either credit or currency, no matter what the state of the reserve in its relation to the credit already extended by the local bank may be.

I contend that the business men of the country, without reference to the kind or character of business they are doing, should favor the enactment of a law providing for the adoption of this bill, as it will give to them, if they are solvent, an assurance that they can at all times secure credit in proportion to their reasonable needs for credit, when such credit is backed and protected by liquid assets of a character which are readily convertible into other forms of credit when so desired.

At the present time an ability on the part of business men, generally, to discount their paper must necessarily be measured not by the requirements of business, but entirely by the relationship between the reserve in the vaults of the banks in the reserve cities and the credits which those banks have extended.

The growth and development in business in this country, and the consequent growth in the use of credit, have caused an expansion of credit almost as great as the supply of money in the country will justify, and if we expect to continue that development and see our commerce continue to grow, we must adopt a system of banking and currency which will furnish the facilities necessary to protect it.

Under existing conditions it is impossible to import a carload of coffee from Mexico to any point in the United States except through the use of a foreign bill of exchange, and every transaction of this character means that the foreign banks get a commission for the use of their credit in business transactions between concerns or individuals in Mexico and the United States.

We want to have enacted a law which will correct this condition.

We have in this country nearly 40 per cent. of the banking power of the world and yet we must depend upon the English bill of exchange if we wish to import \$5,000.00 worth of coffee from Mexico to New Orleans or to New York City.

This is the richest nation in the world, and with our large and fertile area of crop-producing country the future growth in wealth in the United States should far exceed that of any other section of the world. If we wish to make the most of this growth in wealth we must have provided a system of currency and banking which will utilize that wealth to the greatest extent possible.

The National Reserve Association is planned to be only

a co-operative organization of the banks of the country, both National and State, devised particularly with a view of mobilizing the reserves of our country and having them count for the greatest possible influence in times of stringency or when public confidence is unsettled.

If you adopt a system of banking and currency which will provide an ability for solvent concerns, through the banks of the country, to secure credit in proportion to all reasonable needs of business, panics will be very infrequent, if at all, in the United States, for I say to you without fear of successful contradiction that panics never come except as the result of the inability of solvent people to get credit against satisfactory securities.

It has been said that bankers are to blame for the periodical stringency in money because they do not carry sufficiently large reserves to meet the requirements of crop moving.

I wonder if it has ever occurred to such critics that a bank can protect itself against any condition by increasing the amount of the reserve in its vaults, but the only way that this can be done is through cancelling a proportionate amount of the credits which it extends; consequently, an attempt on the part of the banks to carry larger reserves to provide for the requirements during crop-moving season would mean a restriction in the credits extended by the banks to business interests generally, which would of necessity materially reduce the volume of business which is done even now; and do you, if you believe that the banks are derelict in this respect, appreciate that just in proportion as they increase their reserves as a protection against the conditions which I have mentioned they must take away from you and from all their other customers a part of the lines of credit which they now extend?

Furthermore than this, to follow that plan would mean to cause a large amount of money to be idle eight months in the year in order that the banks might take care of that particular demand which extends over but four months of the year.

This, I think, you will agree, is unscientific and not in keeping with the spirit of the times; especially since it is possible to correct all these conditions through the enactment of currency legislation which will provide for the adoption in this country of the National Reserve Association with facilities to meet all of these conditions and requirements.

The proposed establishment of branches of the National Reserve Association in fifteen districts throughout the country, located geographically with a view of giving the greatest service to the greatest number of people, will assure every community the same facilities, the same consideration and the same promptness in all transactions of business with the Association.

The fact that it provides for the use of commercial paper as a part security for the circulating notes which it will issue in excess of those to take the place of the present United States bond-secured National Bank notes will make such notes elastic and gives an assurance of an ability on the part of the Association to protect the credits of our country when based upon the principles of conservation.

Our present methods of conducting business are the out-

growth of business evolution, just as our form of government, our customs and mode of living are the result of the development peculiar to our people and our geographical location; and in the formation of the National Reserve Association, its authors have been steadfast in confining their efforts to the rehabilitation or remodeling of our present banking and currency system and to a perpetuation of the good that is in it so that it will conform to the growing requirements of our people, at the same time avoiding the introduction of revolutionary methods. Therefore, please do not be confused into the belief that the plan proposed is but another name for a Central bank such as those established in foreign countries, for, unlike them, the National Reserve Association would not accept accounts from individuals and corporations or discount paper direct. Instead, it would confine its business relations entirely to the banks of the country and would act as the reserve depository for at least a part of the reserves in actual cash that they now carry in their vaults.

Under our present system the banks are forced to discontinue extending credit to their patrons when to do so would seriously impair their reserve, and since this disturbs business and makes it impossible for solvent concerns to obtain credit, confidence is disturbed, the hoarding of money begins and we are in the midst of a panic.

No bill or law in itself could be a panacea for all business ills, and so a mere law cannot prevent panics. Over-speculation and the disregard of economic laws must bring a penalty, but the National Reserve Association would exert such a supervising influence over all these conditions as would practically prevent panics, or at least would minimize their bad effects on business.

In 1907 we had in the Treasury and in the banks of the United States about a billion eight hundred million dollars in gold coin, yet we had to turn to our friends across the water for assistance, the Bank of England furnishing us, directly and indirectly, gold to the amount of \$125,000,000 while the average stock of gold in her vaults for the year was only approximately \$155,000,000, and all because of an inefficient system of banking and currency which prevented us from mobilizing that gold to stand as a protection for our credits.

Whether or not this or similar legislation is enacted will depend entirely upon the patriotism of our people and whether or not our business men, our farmers and the laboring men of this country, who are dependent upon prosperity for their positions, are sufficiently interested to study the bill and make an expression of their opinion of it to their representatives in Congress.

The plan proposed is the creation of many minds, after exhaustive study of this subject, and it has been approved by our leading bankers, by the Monetary Commission of the American Bankers' Association and by the leading political economists of the country.

May we not depend upon you lending your influence and your co-operation in the dissemination of information on this subject looking to the ultimate passage of this bill, upon the theory that such action on your part will be the highest form of patriotism in the discharge of your duty to your citizenship?

Trade Fluctuations and Panics.

BY JOHN PERRIN, Chairman of the Board of the Fletcher American National Bank of Indianapolis.

Our trade with other countries during the past year approximated three and a half billion dollars, a total regarded as extraordinary. But it was less than one per cent. of the amount of our domestic trade, estimated at approximately four hundred billion dollars. There are wide fluctuations in the total of our trade from year to year, although the necessities of ninety million people assure a huge volume even in

dullest years. And there are wide fluctuations from season to season.

An increase of trade means a proportionate increase of both credit and cash transactions, requiring more bank loans and more money paid out to make cash settlements. In the autumn, to assist in moving the crops, banks are called upon for large additional amounts of currency, the total vary-

ing according to the size and value of the crops, but estimated usually at from 150 to 200 million dollars. It comes out of bank reserves and reduces correspondingly their power to lend, making interest rates higher in the fall than in the spring. As the crop movement is completed, this money gradually finds its way back to interior banks and finally in considerable measure to New York, creating deposit balances upon which interest is paid. Such accumulation is at the season of least commercial demand, and consequently much is loaned for stock speculation. When the demand for currency again comes from the agricultural districts, reserves must again be drawn upon. If trade is active and stock speculation rife, reserves will already be low, and serious reduction of loans will be necessitated in order to meet the demand for currency and also maintain reserves. If crops are large, which ought to be an assurance of greater prosperity instead of cause of disaster, the demand will be the more important, and the reduction in loans necessitated will be the more serious.

It is such a situation which precipitates a panic, with its collapse of credit, its disastrous liquidation, restriction of money payments, followed inevitably by a period of commercial stagnation. The loss is incalculable.

Panics and depressions have recurred so periodically, that there may seem excuse for thinking them inevitable as the change of seasons. If the banking machinery of every country broke down under strain in like manner, there might be justification for stoical endurance, although even then it would be the part of intelligence first to exhaust every resource of ingenuity to devise a better machinery. But ours is practically the only civilized country which has financial panics and currency famines.

Lord Beresford, in his book concerning his visit to China recounts his inspection of a fort, where he pointed out that the guns were so placed that when fired they would explode the magazine. The Chinese general exclaimed with admiration that he was a wonderful man to observe that; that it was exactly what had happened. But the fort had been rebuilt exactly as before.

We have periodically exploded our magazine, and yet for half a century we have rebuilt our banking fort exactly as before.

WHAT IS WRONG WITH OUR BANKING SYSTEM?

In simple terms commercial banking consists of accepting deposits with a contract to repay in money on demand, and at the same time lending the larger portion thereof repayable at future dates. The funds deposited are less than ten per cent. in money. Such a procedure would seem to court disaster. Its safety lies in the fact that on the average deposits and withdrawals nearly offset one another.

Our National banking law requires that a bank must constantly have reserve money on hand equal to a specified percentage of its deposit liabilities. If it were required that this should be apportioned pro rata for each depositor, and that the money set apart as reserve against one deposit balance should not be used to pay another, the bank could not be sure of meeting the demand of a single depositor for the amount due him, unless it carried 100 per cent. reserve against all deposits. But if these separate reserves were gathered into one mass, available for any demands, the bank could operate with a high degree of safety by having on hand in money only a small percentage of the aggregate amount owing depositors, and would consequently be able to lend for use in the commerce of its vicinity the greater part of such funds. Under normal conditions deposits and withdrawals would nearly offset one another, so that the bank would actually use very little of its reserve money. Efficiency in serving the commerce of its community, which is the source of its own profit, and at the same time strength to meet depositors' demands can be attained only by thus gathering into one mass the reserves held against each separate deposit balance.

Turning now to the vast system of banks throughout the country, if all the depositors of each bank be regarded as

merged into a single individual, all banks taken together would then be in a situation similar to that of the single bank just mentioned, each bank holding its separate reserve against its one deposit, the reserve of one bank not available to pay the deposit of another. No one of them would surely be able to meet the demand of its one depositor for the amount due him unless all carried 100 per cent. money reserve. But if the separate reserves of all the banks were gathered into one mass, available to meet the demands of depositors for payment in money, whether made in Maine or Texas, New York or California, the banks of the whole system, as in the case of the single bank cited, would be able to operate with the highest degree of safety by having a total sum of money equal to only a small percentage of the aggregate amount owing to depositors, and consequently would be able to lend for use in the commerce of the country the greater proportion of the funds deposited. The total of deposits and withdrawals made throughout the country would very nearly offset one another. Very little of the reserve money would actually be used. A special requirement of one section would represent only a small percentage of the total massed reserves. The country has such vast area, and the requirements in different parts so vary in season that a deficiency of money in some sections would find a measureably offsetting surplus in others.

Applied to a system of banks, this principle would be that of a single institution with local officers throughout the country. Theoretically the maximum ability to serve, and maximum strength to withstand, would exist in such an institution of one ownership, controlling under one management the entire reserves, each deposit with a local office a liability, and each loan an asset of the one institution. Its vast loanable funds would be equally available for every section, and its mass of reserve of money would be so great that a special demand from any section for payment of deposits in money would make only an imperceptible drain.

While theoretically an institution so constituted would be strongest and most efficient, none such exists, and no one would advocate such a system. Omniscience and omnipotence would be required for its wise administration.

But the conclusion seems clear that only in proportion to the massing of reserves can efficiency in lending for commerce be combined with strength to pay depositors. The greater the proportion of the entire reserves gathered into one mass, the greater the efficiency and strength rendered possible. This principle is fundamental, and is the basis of the strength of the great central banks of Europe.

To maintain the individual identity, separate ownership, and absolute independence of our twenty thousand banks, and at the same time, to endow them both with the ability to serve efficiently the commerce of their respective localities, and also the strength to meet special strains, whether local or general, it would seem that the only way would be to follow a middle course. This would be to so co-ordinate the banks of the system that it would be possible to mass part of the reserves, thereby securing a measure of efficiency and strength, which, if not the theoretical maximum, would practically, at least, be adequate.

With banks self-dependent as now, each must carry constantly a reserve which it regards as sufficient not only for normal conditions but for fortification against special demands. If this surplus of reserve beyond that for normal conditions were lodged with a co-operative agency, it would gather into one mass that portion of the reserves now held for possible requirements beyond the ordinary. This would constitute a vast consolidated reserve fund available as a basis for extending credit, or furnishing reserve money in exchange for acceptable loan assets, to those banks in any section of the country upon whom special demands might be made at any time by their depositors. Such an agency would be powerful to prevent panics. A panic results from collapse of credit, but a great reserve fund held for use in times of stress would assure to solvent borrowers extensions of credit when needed.

Summing up, the fundamental defect of our banking sys-

tem is the parcellization of the entire reserves among the separate self-dependent banks, necessitating either a wastefully large proportion of reserve for assured ability to pay with corresponding inefficiency service to commerce, or efficient service with the hazard of unexpected exhaustion of reserves and consequent inability to make good the contracts to pay depositors on demand.

The remedy would be the massing of a portion of the reserve money in a co-operative agency available to render assistance when required by the banks of any section.

THE CURRENCY.

Nearly a billion dollars of the gold in the Treasury is not owned by the Government, but is held in trust to redeem an equal amount of gold certificates outstanding. The other forms of money aggregating approximately two billion dollars, are, in last analysis, the Government's promises to pay gold on demand. A specific gold reserve of 150 millions is set apart against the greenbacks and Treasury notes. Silver must be maintained at a parity with gold, which can mean only its redemption in gold if necessary to that end. The Government must redeem National bank notes on demand if the issuing banks fail to do so and recoup itself from the sale of Government bonds held as collateral and from the prior lien on assets. Redemption of National bank notes, authorized by law, in other forms of lawful money, greenbacks and silver, would be no escape from redemption in gold, since these forms must be exchangeable for gold. In addition to the special gold reserve of 150 millions held against the greenbacks, the Treasury now has approximately 130 millions of gold in its general fund.

If a criticism be made that 280 million dollars is an insufficient reserve against direct and contingent demand liabilities of two billion dollars, this could be met by increasing the reserve to the point that its financial soundness would be beyond question. But this would not give our present currency economic efficiency.

WHAT IS WRONG WITH OUR CURRENCY SYSTEM?

Aside from trust funds not owned by the Government only about one-tenth of our money is in the Treasury. The vast bulk of our money of all forms, aggregating approximately three billion dollars, is divided into two not very unequal parts, one of which is that in bank reserves.

When a bank's reserve exceeds the percentage which it deems adequate to enable it to pay depositors in money on demand, according to its contracts, it makes additional loans until its reserve represents the desired percentage of its deposit liabilities; and if its reserve falls below the desired percentage, it requires payment of maturing loans until its money reserve again represents the desired percentage. The continuous deposits and withdrawals of depositors, according to their convenience and needs, cause a constant fluctuation in the aggregate of a bank's deposits. As the total expands or contracts, the only means of adjusting its money reserve to the desired percentage lies in increasing or diminishing the amount of its investments. Bank loans are most intimately related to bank reserves. Aside from loans of capital, they owe their existence entirely to reserves. Increase of bank reserves involves increase of loans, and reduction of reserves, reduction of loans.

The other part of our money which is not in bank reserves is in circulation, that is, in the tills of merchants, in the pockets of the people. Banks are constantly paying out money, withdrawn by depositors, which goes into circulation. This is not at the volition of the banks, but because those owning the right to it exercise their preference to have money instead of deposits subject to check. As such money is spent, merchants and others who receive it redeposit it in bank, again not because banks desire this, though to be sure they are willing, but because merchants prefer to exchange money for rights to check, their payments being more conveniently made by check. The resultant of the preferences of those owning rights to money determines the volume of money in circulation. It is beyond the power of banks to control this. Bank reserves viewed as a whole are not the

amount which banks desire for that use, but the amount remaining after the demands are satisfied for money to circulate. To illustrate: A manufacturer draws for his payroll the requisite money, which thus goes out of bank reserves into circulation; the individual replenishes his pocket money according to his convenience and habit, reducing bank reserves and adding to the money in circulation; the merchant deposits the amount received from cash sales, increasing bank reserves and reducing the amount of money in circulation. These are typical of the transactions of customers with banks, actuated solely by their convenience and beyond the control of banks.

No tax paid by banks upon money which they disburse would drive it out of circulation into bank reserves. If needed or desired, it would remain in circulation. It would go out of circulation and into bank reserves only when those having the money preferred to exchange it for rights to check.

Under our present system the volume of money in circulation is perfectly flexible. It constantly expands and contracts in automatic adjustment to the requirements of trade and the convenience of the people. An increase in the volume of cash transactions brings promptly an increase in the volume of currency in circulation through the current withdrawals of money exceeding the current deposits of money. A lessening in the volume of cash transactions promptly drives unneeded currency out of circulation through the deposits of money exceeding the withdrawals. No other system could provide a currency which would adjust its volume in circulation more exactly to the needs of trade and the preferences of the people. There is a ceaseless flow of the money in circulation into bank reserves, and of money in bank reserves into circulation—ceaseless except in an occasional crisis when the natural flow of money from bank reserves into circulation is arbitrarily stopped by banks refusing, for self-protection, to continue paying out to the point of exhausting reserves.

While the volume of money in circulation is thus perfectly and automatically adjusted to trade requirements, it is to be noted that this flexibility arises from the flow, back and forth, between the mass of money in circulation and the mass in bank reserves. In this lies the main economic defect of our present currency system. An expansion in the volume of money in circulation entails a corresponding contraction in the volume of bank reserves, and necessarily, as previously pointed out, a corresponding contraction in loans. A period of expanding business would naturally be attended by both an increased volume of loans, and an increased volume of cash transactions, such as increased payrolls, increased retail sales. Increased cash transactions cause a larger volume of money to flow into circulation. But this flow is out of bank reserves, thus reducing them and necessitating a reduction of loans depending upon them, at the very time when loans would naturally expand. Obviously, if business becomes very active, the effect upon bank reserves is so adverse, and the contraction of loans depending upon reserves so important that embarrassment is widespread and panic ensues.

It would be a remedy to have the volume of money in circulation find its adjustment in a flow from bank deposits into money in circulation, and from money in circulation into bank deposits, instead of through a flow between bank reserves and money in circulation. Such a result would be attained by the use of bank notes as our ordinary currency.

True bank notes are simply a bank's promises to pay money the same as are bank deposits, each backed equally by the bank's assets including the same proportion of money reserves. A conversion of its deposit promises into bank note promises, as Mr. F. A. Vanderlip has aptly expressed it, or bank note promises into deposit promises would in no wise change the total of its liabilities. The two kinds of promises, interchangeable at the will of the depositor, are identical in substance, differing only in form, each being simply promises to pay money.

A manufacturer drawing upon the bank for currency for a

payroll and receiving bank notes, thereby causes a reduction in the bank's deposit liabilities and a like increase in its bank notes in circulation. A merchant depositing bank notes thereby increases the bank's deposits and contracts to the same extent the volume of its bank notes in circulation. To place its own bank note in possession of the issuing bank, would in effect cancel it the same as if destroyed. It would be like the promissory note of an individual coming into the maker's possession. If a bank note were re-issued, it would be in exchange for a new asset and would be a new promise to pay money as much as if the old bank note were destroyed and an entirely new note issued in the new transaction. Those owning rights to draw, as Professor Irving Fisher puts it, would determine according to their convenience whether they preferred deposits subject to check or bank notes. The requirements of trade and the preference of the people would thus determine what portion of the bank's obligations would be expressed by deposit promises and what portion by bank note promises. There would be a constant flow from bank deposits into bank notes in circulation, and from bank notes in circulation into bank deposits. Such an interchange would in no wise disturb the bank's reserve money and consequently would in no wise affect the loans depending upon the reserves. This would be true even if every one owning a right to draw should prefer bank notes for the entire amount due him, thus converting the entire bank deposits into bank notes in circulation. It would be all one to the bank, no advantage and no disadvantage. Its total liabilities would be unchanged and its money reserves unchanged. None of the capital lodged with it by depositors would be withdrawn in such an exchange. A situation approaching this does now exist with some of the great European banks in countries where the deposit and check system is little developed, the principal part of the liabilities being bank notes in circulation.

To simplify the illustration of the principle, I have spoken of the bank as a single institution. But whether one great institution or twenty thousand individual banks issued such bank notes, they would effectuate the same result of

protecting from disturbance both the reserves and the loans growing out of them.

If the co-operative reserve holding agency, previously mentioned, were given sole authority to issue such bank notes, it would naturally use them in current payments of depositors' checks, thus leaving undisturbed the reserve money with which such deposits had been created. Current deposits with such an agency would consist to some extent of gold and other forms of lawful money as well as of its own bank notes. The continuous process of receiving such deposits and paying checks with bank notes would gradually exchange bank notes for the gold, silver and greenbacks in circulation, thus concentrating the lawful money with the agency and rendering its bank notes our ordinary currency. With the principal part of the lawful money of the country massed in such a co-operative agency, its money reserve would be so vast that it would have strength, abundant beyond question, to serve efficiently the banks and, through them, the commerce of the country. Panics would be averted not only by the actual extension of needed credit, but by the confidence arising from knowledge that extensions of credit could be had if and when required. The possibility of currency famines would be eliminated and no longer considered, as all deposit credits, including those created by loans, would be exchangeable at the will of the depositing bank for bank notes.

Summing up, the main defect of our present currency system is that the volume of currency in circulation has its adjustment in the flow from bank reserves into money in circulation and from money in circulation into bank reserves, causing a contraction of bank reserves and the loans depending on them as business expands, and an expansion of reserves and of loans as business contracts.

A remedy would be the use of bank notes through which the volume of currency in circulation would have its adjustment in the flow from bank deposits into bank notes in circulation, and from bank notes in circulation into bank deposits, thus protecting from disturbance both bank reserves and the loans based on them.

Keeping the National Reserve Association Apart from Partisan Politics and Special Control.

BY HON. L. P. PADGETT, Member of the National Monetary Commission.

Mr. President, Gentlemen of the Convention: To me has been assigned the subject: "Keeping the National Reserve Association apart from partisan politics and special control."

You will observe that this subject does not embrace a discussion of the intricate merits of the Association itself, but rather the importance of the line of procedure and collateral questions. I deem it hardly necessary to call your attention to the fact that those who have preceded me have cut such large slices out of my subject—or rather, I should say, that they have so ably and so much more eloquently than I will be able to do, made contributions on this discussion on the subject assigned to me, that the apology that I shall make to you for attempting to discuss further the question is the position in which the minister was who accepted a call to a certain church and announced his text and preached his first sermon. On the following Sunday he announced the same text and preached the same sermon, and on the next succeeding Sunday he again announced the same text and preached the same sermon. His elders went to him complaining of the repetition, and he said "Gentlemen, have you performed and done and kept all the things which I have enjoined upon you?" They said, "No." "Well," said he, "when you do and perform all of these things, then I will preach another sermon and give you something else to do." So that I feel that the overpowering importance of this question will justify even a repetition or a recalling to our

attention of some matters even that have been mentioned before.

Legitimately and properly there is no more politics in a dollar than in a bag of turnips. A dollar, money, is cosmopolitan. Today it is mine; tomorrow it is yours. Today it belongs to a Democrat; tomorrow it is the property of a Republican, and the next day it may belong to an educational institution, or to a church, or to some great benevolent organization intended for the amelioration of mankind. It is a medium of exchange; it is a measure of value; it is a storehouse—if we may use that expression—of future values. So that it has no partisan limitations; it is not intended or designed to accomplish partisan purposes.

The institutions which we call banks exist and are constituted for the purpose of making money more useful. They exist for the purpose of gathering together the money of the country—in many instances, the idle, unused money of the country—and to bring it together that it may serve upon the objects for which it exists and may contribute the more to the usefulness of the people and the upbuilding and the prosperity of the country and its people. Therefore, there should be no politics in the discussion of any question which involves the promotion and the betterment of those institutions.

Your attention has time and again been called to the necessity for a new and better system of banking and currency in this country; and at the risk of repeating I want

to emphasize the overwhelming necessity, a necessity which everybody recognizes and admits and which no one denies. It is never a question that our existing system of banking and currency is essentially and materially deficient and defective. We all know that it is largely a patchwork of legislation and that it has been in large measure thrown together, haphazard as occasion would demand. And we know further that many of the requirements, many of the principles which run through and permeate and govern our existing system of banking and currency were placed in it, not for the promotion of banking and currency, but for other purposes, such as the support of the credit of the Government, to afford a market for Government securities.

The necessity for a new and better system is manifested by the repeated failures and breaking down of our system. Whenever a strain comes upon it, it gives way. Whenever an extraordinary demand is made upon it, it fails to respond. We have had in the past so many breakdowns of credit, so many prostrations of industry, so many instances in which labor has been thrown out of employment; the injury, the destitution and the suffering brought upon the great mass of the people have been repeated so many times in years that have gone by that it is a saying upon the streets today that we scarcely get out of one panic before we are preparing to go into another. The bankers of the country are interested in having a new system, but in my judgment, the bankers are not nearly so much interested in having a better system as are the farmers, the manufacturers, the producers and the laborers of this country. The banker is prepared to forfend himself against the calamity. The laborer is thrown out of employment, loses his all, perhaps, and the suffering is entailed upon his wife and children and he is utterly broken down in his manhood and is left a beggar upon the community. Gentlemen, the pride and the ambition of the American people ought not to tolerate a system that places the laborers of this country in a condition where periodically they may be converted into beggars.

The great manufacturing centers of the East, the manufacturers who employ labor, who have to get up their payrolls weekly or monthly or semi-monthly, as may be, are interested in a better system. The farmers of the South with their great crops of corn and cotton and wheat and live stock are interested in having an institution in which they can convert their wealth into useable and liquid condition.

The great grain fields of the West, with their hundreds of millions of bushels of wheat and corn, and the mining products of the country that challenge the admiration and wonder of the world by their immensity and by the grandeur of their achievements, are interested and demand a better, a safer, and a sounder system of banking and currency.

As I have recited to you these conditions that call for a change, the thought has occurred to you and you have anticipated the advantages that will accrue to the country from such a system, and I need not detain you to recall the many advantages that will accrue to the manufacturers, the farmers, the laborers and the whole industrial community in its national and international relations from the inauguration of a system that will stop these panics, prevent these prostrations of industry, cease tying up hundreds of millions of dollars in the banks of the country and leave the conditions in a normal business situation.

I wish to call your attention just here to one statement that I regard as fundamental and which overshadows every other consideration. That is, that a scientific system only will be the final solution of this problem. We can not compromise it. A compromise with truth in so far as the truth is compromised, just so far falsity exists. Just so far as the right is compromised, wrong prevails. We might discuss forever as an issue the law of gravitation, but unhindered the falling apple will pursue a

straight course to the ground, and just so far as it is hindered or interfered with, so far the falling apple will be deflected from a straight course. No discussion can change that law. There is no subject within my discussion or reading that has been so much experimented with in the world's history as banking and currency. Every nation for centuries past has experimented with it with one result—that is, erroneous systems were adopted and as right principles were compromised, calamity, destitution and injury was the result.

We can only settle that question along scientific lines, and out of these experiments, out of the trials that have been made, it has been demonstrated that there are certain great fundamental principles according to which banking must be conducted if success is to follow; and we, as people interested in this great question, interested in the success of the movement, interested in the happiness of ourselves and our neighbors, interested in the up-building and prosperity and glory of our people and our country, must realize it, and come to the determination that in so far as in us lies the ability and the knowledge we will stand for truth and the right of this proposition.

I want to say to you, gentlemen, that it is the sincere desire of the National Monetary Commission to present a plan based on correct principles adapted to the varying conditions of the country and responsive to the economic demands of every section of the country. We have been studying these questions for three years. We realize that there are varying conditions in this country. England and its financial system has been referred to, but when you remember that you can place England and Scotland inside the State of Texas and have all of New England left on its border; that you can place the whole of France inside of the State of Texas and have a margin left; that you can place the German Empire in the State of Texas and have a margin! When we come to compare the conditions and to consider the conditions in this country, we must remember the magnitude of our territory; we must remember the varying conditions of our country; we must remember that in one section it is manufacturing and the employment of labor, in another section it is the growing and production of certain farm products, and in other sections it is mining, and then the great interests of transportation—and moving all these products. And let us not forget, let it be a living and burning truth, that there is no essential conflict between these interests. We are one people and one country, and what is for the interest of one in the final analysis is the interest of everybody. When we come to deal with this question, the Commission also has to bear in mind that we have a different governmental situation than is to be found in other countries. We have a different social condition existing in this country from those existing in the old world. All these conditions—geographical, social and governmental—have to be considered in order that we may have a plan that will be in harmony with the conditions that exist in our country and which will meet the economic demands of every section. And I want to repeat that it is the sincere and honest desire and intention of the Commission, so far as it has the ability to do so, to present a plan that shall be adapted to the varying conditions and which shall be responsive to the economic demands of all sections of the country and of all classes of the people.

I wish to call your attention, if you please, to another thought. To accomplish this, the situation must be so organized and constructed that it will be free from political, local and special control. The fundamental construction of the institution, whatever it may be, must be such. The American people will not tolerate an institution that does not, in its organic construction, commend itself to the honest integrity of the American people. It must be such from its internal construction and management that fairness and squareness will be dealt out to every citizen. That is our purpose and our aim.

I want to say to all my friends, and through the instru-

mentalities and the agents of this great Association, that there is another influence to which I wish to appeal and to address myself—that is, to the public sentiment of the American people. We must build up and we must have in this country a public sentiment which will demand that it shall be free from political, local and special control. When the Commission was abroad three years ago studying and investigating this subject, I found among Englishmen a respect and a reverence for the Bank of England second only to the respect and reverence for the Crown. They looked upon it as a great institution, designed and existing for the protection of the industries and the institutions of their land and the preservation of the solvency of their people. And they would no more attack the Bank of England than they would attack the Crown of England. And we found in France and in Germany a similar spirit among the people. My friends, may we not cherish the hope, may we not harbor in our innermost souls the expectation that there will be an institution in this country that shall command the respect, the confidence and the love of the American people, to which they shall look as a shelter in times of financial storm?

I want to call your attention next to the fact that partisan politics can not prevent the recurrence of the evils and disasters of a faulty system. I care not how much we may discuss in a partisan way this condition or any institution that may be suggested. We may let our partisanship run riot, if you please, we may grow bitter, but with the unerring certainty of the law of gravitation the disasters of a faulty system will continue to visit the people notwithstanding.

In conclusion, my friends, I want to say that now is the time and this is the opportunity for wise statesmanship and noble patriotism. May we not rise above petty jealousies? Can we not stand on a plane higher than sectional disputes? Can we not appeal to the intelligence, the integrity, and the patriotism of the American people? May we not call forth the love of country, those high and noble principles that underlie the movements and the conduct of the American people and beseech them to place those principles first in the consideration of this great question?

It is my purpose to appeal to the best thought of the American people, and I think that when they have considered these questions seriously and intelligently as they will, that in time out of it right will prevail and a remedy will be devised.

This morning as I sat in the audience and listened to the concluding remarks of that splendid man, George M. Reynolds, as he referred so feelingly to his visit to the tomb of Abraham Lincoln, I could not—I would not—suppress the gentle and tender emotions that vibrated in my heart and soul. I thought of Lincoln as a poor boy, born in the direst poverty and raised under the most trying hardships and how in devotion to duty he had established himself forever in the esteem and affection of the American people. As I walked along the way between here and my hotel, I saw that lofty shaft with the heroic figure erected by the people of this State to the memory and honor of Robert E. Lee, and I remembered that he was the son of a wealthy and aristocratic family, surrounded by all the influences and all the advantages that wealth and social position could give; how there came a time in his history when the conditions of this country were such that his duty stood before him, and he was willing to sacrifice position, property and even life itself if necessary to maintain what he believed to be right. And then this thought came to me: that in the last analysis, Lincoln and Lee live in the honor and the glory and the love of their country because each of them believed and proved in his life that life was more than meat and body, more than raiment.

In the consideration of this question, we want to lift it out of the mire of partisan politics. We want to realize that whoever contributes material to the consummation of the purpose to relieve the country from the conditions under which the people live will erect for himself a monument more lasting and more honorable than an engagement in political disputes. This is a great country of ours. I have traveled over it from the iced lakes of the North until I find myself today on the flower-lined coast gulf. From the Atlantic to the Pacific I have seen the extent of its territory; the magnitude of its enterprises; the heroism of its people; I have stood at the foot of a great mountain that seemed to lift its head into the very blue of heaven and I have said "How grand is the Mountain!" I have looked out over the valley with its fields and farms, running streams and homes and flowers and I have said "How beautiful are the valleys!" But my countrymen, let us not forget that our country's manhood is grander than its mountains; its womanhood is more beautiful than its valleys; and its patriotism is sweeter than the fragrance of flowers. To this manhood, to this patriotism, enlightened manhood, the Commission intends to submit the result of its labors.

Benefits of the National Reserve Association to the Country as a Whole

By HON. ARSENE P. PUJO, Member of the National Monetary Commission.

Mr. President and Gentlemen: I am deeply sensible of the honor conferred in asking me to address this splendid assemblage of representative men. I have been assigned a text here, but I do not intend to use it; I believe I have been asked to say something about the National Reserve Association. I do not intend to refer to it, except in a general way, because I realize that this body is the final authority in America today and that I am not in a position to impart information to it. I feel, however, that it is due from me to the American people to make a general statement. I want to say, broadly speaking, that I am not in favor of any specific plan. As stated by the President of this Association, I have had the honor of being appointed a member of the National Monetary Commission and when the House organized at the last session I was elected Chairman of the Banking and Currency Committee. All of you realize that national legislation is perfected through committee action, and I merely want to say that I favor, on broad, general lines, a currency supported by gold, as far as

we can go upon such lines. I want to say, further, that I do not favor the national bank-note system of today. It is merely a promise to pay backed by a promise to pay. We want something better than that.

I was told when I was made Chairman of the Banking and Currency Committee that there never had been a man chairman of that committee who was not a crank. Now, I am trying to avoid being a crank and so I have no system to propose for enactment into legislation.

We propose—and I am sure that I voice the sentiments of every member of the Banking and Currency Committee on both sides—to deal with that question on scientific and economic lines. We will not permit it to be treated as a political question. It is not a political question. In my judgment perhaps that is the reason why we have not progressed any more than we have. We have been dealing with the question on political lines, instead of on scientific and economic lines. I desire to tell the American people, through this Association, that, so far as I can, in my humble capacity, so long as I hold the position I now occupy in

relation to national legislation, every man in the United States may come before our committee and submit his plan, if he has one, and if he is right we don't care whether he is a Republican or a Democrat.

I do not intend to speak extemporaneously to you gentlemen; in fact, I dictated a speech to my stenographer this morning and that is the address that you will doubtless see in the papers. I came here from other lines of activity to show my appreciation of the fact that your Association has met in New Orleans and to assure you that the people of New Orleans are with you and will co-operate with you in every effort you make to improve the financial condition of this country.

I am in favor of what was considered a few years ago as being almost a populist idea: I am in favor of the National bank having the right to loan money on real estate—I mean to a reasonable amount, because the great agricultural interests of the United States and the property interests of the United States ought to have the right to go to the institutions that they are helping to maintain and borrow money, if their collateral is good; and I have advocated

that in Congress and it passed the lower House, but it failed in the Senate.

Look back to the time when the National Bank Law of 1863 or 1864 was passed and you will find that banks had the right to loan money on real estate. So, you see it is not at all a new idea.

I regret that I have not had time to prepare an address along the lines of technique on this question. I assure you that we will deal with the subject upon judicious and correct lines. I do not want to come out and prejudice any plan or any system, and I do not believe that it would be correct to do so, for I think that men who are occupying public office should retain, as far as possible, an open mind on any question so that those who appear before them advocating any plan may have a fair hearing before open-minded men, men who have not made up their minds in advance.

Gentlemen, I thank you for the attention you have given me, and again I beg to express the thanks of our people for the honor you have done in again holding your convention in our city.

**THE FOURTH NATIONAL
BANK OF THE CITY OF
NEW YORK OFFERS TO CUS-
TOMERS AND DEPOSITORS
ITS SERVICE AND CO-OPER-
ATION IN ALL MATTERS
TOUCHING THEIR BANKING
REQUIREMENTS.**

Committee Reports—Banking Section.

Annual Report of the Secretary, Fred E. Farnsworth.

NEW YORK, November 15, 1911.

To the American Bankers' Association.

GENTLEMEN: I respectfully submit my report as General Secretary of the American Bankers' Association for the fiscal year ending August 31, 1911.

In my report of a year ago I called your attention to the growing and prosperous condition of the Association, in which there has been no diminution during the past year. At this time the Association is comprised of nearly 1,000 more banks than it had on the date of the last Convention. There has been increased activity in every department; and there has not been a time in the history of the Association when the members have been so closely in touch with its affairs as they are now, which is evidenced by the large volume of correspondence with our members, and this condition has been greatly accentuated during the past two months. It would be impracticable in a report of this nature to do full justice to the extensive mechanism by which is conducted the progressive effort day by day of this Association. I can only refer briefly to the salient points in our work, leaving the vast details which would cover the labors of Sections and Committees to the individual reports which will be made by those units.

EXECUTIVE COUNCIL.

I know that it will be generally regretted most sincerely by our delegates and guests that we are deprived of the presence of Mr. Charles H. Huttig, our Chairman. Those who know him best will miss his genial presence, for he cannot be with us this year. Mr. Huttig underwent a serious operation in the Presbyterian Hospital of New York a few weeks ago; but I am glad to tell you that he is now rapidly recovering, although it will be several weeks before he can return to his home in St. Louis. In the absence of Chairman Huttig a report will be made for him.

The May meeting of the Council, which was held in the city of Nashville, Tennessee, was, like its predecessors during the past four years, very largely attended. Three full days were given to the Association's Committees and the Council. All of those in attendance were most hospitably entertained by the city of Nashville, and, at the same time, the entertainment was so arranged that it did not interfere with the business requirements of the Association.

SECTIONS.

Close observation of the work of the various Sections during the past year has convinced me that previous records for efficiency have been excelled in all that pertains to comprehensive handling of matters relating to the membership of the several Sections. The Trust Company Section made a notable success of its first annual dinner, which was held at the Waldorf-Astoria Hotel, May 5, 1911. The Savings Bank Section sustained serious loss during this year through the death of its Secretary, Mr. William Hanhart. The Executive Committee of the Section was very fortunate in securing the services of Mr. W. H. Kniffin, Jr., as successor to Mr. Hanhart. Mr. Kniffin is an indefatigable worker, with a knowledge of the intricate workings of savings banks and their requirements, and with the ability to promulgate ideas which have proven of great value to savings banks. The Clearing House Section will not be content to "rest on its laurels" of work accomplished during the year which is gone in the introduction of the Numerical Transit System—an intricate problem which has been developed in a relatively perfect manner. This System has been accepted by the banks with a unanimity that has been gratifying. The work of the Section has been confined chiefly to shaping this Numerical Transit System, although the subject of Clearing House bank examiners for Clearing House cities has been given considerable impetus, and a number of cities other than those announced last year have appointed Clearing House examiners.

With the authority given the Clearing House Section a year ago, Mr. O. Howard Wolfe, of Philadelphia, was in September selected as Secretary of the Section, beginning October 1st. Mr. Wolfe is eminently qualified for this position and has already shown his ability in handling the work which has come into being through the introduction of the Numerical System.

AMERICAN INSTITUTE OF BANKING SECTION.

This Section, which represents the Institute, held its annual convention in Rochester, N. Y., during September, and your General Secretary attended this meeting. It was unquestionably the most successful convention of the Institute's series. The Institute is now expending its full energy on educational features, which is highly commendable to Mr. George E. Allen,

Educational Director. Its present membership is 11,350, represented by 62 Chapters.

THE "JOURNAL-BULLETIN"

This, our monthly publication, seems to meet with increased favor from the members of the Association and the Institute. The general offices receive frequent communications from both sources, commending the course of the publication and expressing the opinion that it is a truly valuable adjunct to Association work. Liberal space in our "Journal-Bulletin" is apportioned each month to the Sections, that the membership of each may be kept fully informed of current activities.

I wish to commend particularly the work of the Section Secretaries, Messrs. Babcock and Kniffin, the new Secretary, Mr. Wolfe, and President Keyser, of the State Secretaries Section, as well as Educational Director Allen. During the year just closed these gentlemen have heartily co-operated with the executive officers to the end that the Association might reap full benefit.

CURRENCY COMMISSION

The Currency Commission has held several meetings during the past twelvemonth and has kept closely in touch with the work of the National Monetary Commission, and has had in preparation a report on the National Monetary Commission plan which was adopted unanimously at the May meeting of the Executive Council. The Currency Commission of this Association and its several members have been invited frequently to meet with the National Monetary Commission, and various amendments which have been suggested by the Currency Commission have been adopted by the National Monetary Commission. The Currency Commission will hold itself in readiness to prosecute a vigorous campaign when the proposed measure shall be framed as a bill and will come before Congress.

STANDING PROTECTIVE COMMITTEE

As executive officer of the Association, I am glad to state that I still hold the opinion that we acted wisely in changing our detective agency two years ago. With a largely increased membership the importance of the work of this department is increasingly apparent. The reports which will be made to you by our Standing Protective Committee, the W. J. Burns National Detective Agency and Department Manager L. W. Gammon will indicate this clearly. The present Standing Protective Committee has completed two years of service. We have been peculiarly fortunate in having three New York bankers—men distinguished in their profession, clear-headed, conservative and accommodating—who are willing to give earnest consideration to the business of this department, which is of great importance. The members of this Committee have been painstaking and conscientious in the performance of their duties; and, inasmuch as this is a "secret" Committee, hence differing from all other committees of this Association, and inasmuch as the work must be done without the emolument of publicity, the Standing Protective Committee is entitled to the unanimous thanks of the collective membership of the American Bankers' Association.

COMMITTEES

With the present large membership in the American Bankers' Association and the increased attendance at our convention, prohibiting consideration of important matters appertaining to banking interests-at-large excepting through the standing committees, the important matters which are entrusted to these committees receive the best thought of the men who compose their personnel, and frequent meetings are held and reports made to the Executive Council and main body, which enables the Association to accomplish the desired results. Our committees during the preceding year have been most excellent, having been earnest in their work and giving much time to the matters assigned to them. They are all entitled to our full appreciation.

STATE ASSOCIATIONS

There are forty-six State Bankers' Associations. Delaware, New Hampshire and Rhode Island have not a State Association. Forty-five of the forty-six Associations are members of the State Secretaries Section. At the last Convention of our Association a provision was made for admitting the Organization of Secretaries as a Section. This was a wise move and, I know, was highly appreciated by the various State Secretaries and members of the State Associations. The State Secretaries have been prepared at all times, as heretofore, to further the interests of the parent body and have co-operated with the officials of the American Bankers' Association whenever called

upon to do so. I have, in accordance with my practice, familiarized myself with the reports of the State Associations during this year, and have attended Conventions in the following States:

Georgia, Ohio,
Maryland, Wisconsin and
New York, Nebraska.

Scarcely a State Association has held a meeting this year which has not reported the best convention that has ever been held in the history thereof; and the various State Associations to the extent of almost the entire number have endorsed the plan of the National Reserve Association and the Numerical Transit System.

LEGAL DEPARTMENT

The members of the Association have utilized more than aforesaid the services of Mr. Thomas B. Paton, the General Counsel, whose opinions are published in our "Journal-Bulletin." Mr. Paton has also given much time to the requirements of the Sections and Committees. The years of experience which he has had in banking law eminently fit him for the position he holds, and his ability is generally appreciated by our entire membership and all officials.

ASSOCIATION OFFICES

The list of those who visit the general offices of this Association shows a marked increase, and the register indicates that for the fiscal year ended August 31, 535 guests had been received. We desire to impress on our members the fact that they are always welcome at headquarters, where a library and reading-room are maintained for their use; stenographic services are available if required. Most of the Committees of the Association have held meetings during the year, and in some cases frequently in the general offices. At the present time we are occupying fourteen rooms, and there are employed altogether twenty-eight persons.

It has been apparent for some time that the present offices are inadequate for our needs, especially the rooms occupied by the working force. The rooms are overcrowded and the light and air poor. The arrangement of the several rooms is unsatisfactory, one office having been added at a time, making them ill adapted for our purposes. At a recent meeting of the Administrative Committee I was authorized to acquire a suite of offices that would be more acceptable than those now occupied.

OUR LIBRARY.

It has been the opinion of the General Secretary that the American Bankers' Association should possess a library commensurate with its importance as the representative financial organization of the country.

Its primary purpose should be the systematic collection and preservation of all available data of historical or biographical interest relating to the activities of the Association and its membership. Until the last four years and before the present administration, no attempt was made to preserve material as it was received at the executive offices, with the result that files of proceedings, reports, documents, periodicals, and so forth, are very incomplete. This can be rectified only through the co-operation of members of the Association in forwarding to the library such material in their possession as will complete the historical records of the National and State Associations, and data regarding individual banks and bankers.

The present accumulation of material is being organized and catalogued by a trained librarian, and when larger quarters permit expansion of the existing small collection, it is the intention to build up a comprehensive financial library where bankers can come or send for reference material.

The principles, practice and historical development of banking and allied subjects will be adequately represented by a selection of books shortly to be made for the Association by some of the leading economic authorities, supplemented by Federal and State documents, statistical manuals, bound magazines, and a clipping-collection for current comment, with the constant addition of up-to-date material in every form. For research beyond the limits of the library's own collection, the resources of the great New York libraries will be utilized, and the library might well contain, in time, an index to material available elsewhere throughout the country.

Pending this development, however, the librarian's services are now available to members for the compilation of bibliographies and statistics, the analysis of reports or articles on various subjects, or information as to where material may be found in books, magazines and documents. What the library's future resources should comprise can, to a large extent, be best determined by current demand, so inquiries will be welcomed and promptly responded to at any time. The General Secretary urges the immediate response of the members of this Association in the building up of this important department.

ROUTINE WORK

During the fiscal year just ended there have been sent out from the general offices about 328,500 circular-letters, docu-

ments, codes and so forth. This does not include the thousands of letters comprising our regular correspondence and the various Sections and Committees.

MEMBERSHIP

There has been a notable increase in membership, as will be shown by the tabulated statements which follow, those statements being compiled to the end of the fiscal year, August 31, 1911. The membership has increased materially since then and at this date is composed of 12,275 banks. During the preceding fiscal year the following States have increased their membership so as to give them an additional member on the Executive Council:

Oklahoma, Kansas, California.

The largest increase in any State was in Kansas; the gain was 119.

MEMBERSHIP

Aug. 31, 1910.....	11,405
*Erased from the rolls through failure, liquidation, consolidation and withdrawal.....	1,304
Sept. 1, 1910, Membership.....	10,101
Aug. 31, 1911, New members joined during the year.....	1,072
*Regained members (secured from the above).....	899
Aug. 31, 1911, Total membership.....	12,072
A net increase for the fiscal year of	667
A net loss for the year in failures, consolidation, etc.....	159
A net loss for the year in delinquents	246
Total net loss.....	405

Making the actual gain in new and regained..... 1,072

It will be noted that the loss from delinquents is exceedingly small, being only 246 out of a membership at the beginning of the year of 11,405.

The aggregate capital, surplus and deposits of our membership amount to more than fourteen billions of dollars.

The membership and the resources of the Association have increased as follows:

	Paid Membership.	Annual Dues.
September 1, 1875.....	1,600	\$11,606.00
September 1, 1885.....	1,395	10,940.00
September 1, 1895.....	1,570	12,975.00
August 31, 1905.....	7,677	127,750.00
August 31, 1906.....	8,383	137,600.00
August 31, 1907.....	9,251	150,795.00
August 31, 1908.....	9,803	162,507.00
August 31, 1909.....	10,682	175,352.00
August 31, 1910.....	11,405	188,934.00
August 31, 1911.....	12,072	199,972.68
Interest on Bonds and Corporate Stock.....		\$4,650.00
Interest on Bank Balances (estimated).....		1,104.26
Estimated annual dues, August 31, 1911.....		199,972.68

Making the total income, year ending August 31, 1911..\$205,726.94

MEMBERSHIP BY YEARS

	Lost by Failures, Merger and Delinquents, etc.	Gross Gain	Net Gain
1899.....	3,915	211	741
1900.....	4,500	234	819
1901.....	5,504	200	1,313
1902.....	6,354	186	1,159
1903.....	7,065	313	1,139
1904.....	7,563	500	1,120
1905.....	7,677	1,038	1,152
1906.....	8,383	337	1,043
1907.....	9,251	434	1,302
1908.....	9,803	691	1,243
1909.....	10,682	760	1,639
1910.....	11,405	781	1,504
1911.....	12,072	1,304	1,971

The loss shown in 1911 was reduced by regained members to 405.

MEMBERSHIP OF STATES AND TERRITORIES HAVING LESS THAN 100 MEMBERS

[As of August 31, 1911]	
Alaska	13
Arizona	54
Delaware	33
District of Columbia.....	35
Maine	92
Nevada	24
New Hampshire	48
New Mexico	53
Rhode Island	48
Utah	53
Vermont	65
Wyoming	65
Canada	12
Cuba	17
Hawaii	13
Isle of Pines	1
Porto Rico	2
Mexico	22

Total650

MEMBERSHIP

DIVISION OF BANKS IN ASSOCIATION AUGUST 31, 1911.

State or Territory	Nat'l	State	Private	Tr. Co.'s	Sav. Bks.	Total
Alabama	47	83	3	20	5	158
Alaska	2	9	2	0	0	13
Arizona	12	26	0	16	0	54
Arkansas	35	111	3	28	2	179
California	163	239	7	36	65	510
Colorado	105	70	9	15	7	206
Connecticut	70	10	8	27	46	161
Delaware	18	1	2	10	2	33
District of Columbia	12	2	5	5	11	35
Florida	46	67	5	7	2	127
Georgia	72	194	8	17	13	304
Idaho	44	67	1	9	1	122
Illinois	290	219	216	55	19	799
Indiana	144	129	41	41	1	356
Iowa	149	104	53	14	135	455
Kansas	160	341	1	3	4	509
Kentucky	62	65	1	21	4	153
Louisiana	32	114	1	22	3	172
Maine	48	1	1	24	18	92
Maryland	77	23	23	15	25	163
Massachusetts	136	2	13	41	70	262
Michigan	81	121	46	6	104	358
Minnesota	156	184	6	3	6	355
Mississippi	28	100	0	16	5	149
Missouri	81	260	19	27	28	415
Montana	45	86	17	7	2	157
Nebraska	132	197	3	4	1	337
Nevada	10	13	0	1	0	24
New Hampshire	36	1	0	4	7	48
New Jersey	154	20	2	71	17	264
New Mexico	29	15	1	5	3	53
New York	358	210	179	89	83	919
North Carolina	51	65	1	19	4	140
North Dakota	80	127	0	2	0	209
Ohio	215	104	64	46	80	509
Oklahoma	130	162	0	11	1	304
Oregon	58	58	12	13	3	144
Pennsylvania	490	64	62	161	35	812
Rhode Island	17	2	3	20	6	48
South Carolina	21	88	1	5	13	128
South Dakota	61	118	3	8	5	195
Tennessee	53	47	4	34	5	143
Texas	215	65	27	34	1	342
Utah	19	23	4	3	4	53
Vermont	36	1	0	15	13	65
Virginia	76	74	15	11	7	183
Washington	69	152	12	22	7	262
West Virginia	60	67	2	12	5	146
Wisconsin	113	176	2	11	13	315
Wyoming	29	31	1	4	0	65
Canada	0	11	1	0	0	12
Cuba	1	12	3	1	0	17
Hawaii	4	5	2	2	0	13
Isle of Pines	0	1	0	0	0	1
Mexico	0	20	2	0	0	22
Porto Rico	0	1	1	0	0	2
	4,632	4,558	898	1,093	891	12,072

APPRECIATION.

Having had the earnest support of my executive associates, I desire to express gratefulness and appreciation, first, to Mr. F. O. Watts, our retiring President, whose energy and resourcefulness have been unfailing, to Vice-President Livingstone, Chairman Huttig, Treasurer Reynolds and to the Executive Council, the Vice-President for each State, the Secretaries of all State Associations, and to every officer of the Association. I would like also to give credit to Assistant Secretary Fitzwilson and to the efficient force in the general offices, who have rendered exceptionally helpful service at all times.

PROSPECTIVE

We are beginning the deliberations of our Thirty-seventh Annual Convention, which is to be distinctive from prior conventions. The Local Committee of Bankers in New Orleans and the Executive Officers of our Association have been in joint and extended preparation therefor, and we fully believe that this is to be a great occasion. Without invidious distinction I wish to express particularly my appreciation of the valuable services rendered me by C. A. Morgan, Manager of the New Orleans Clearing House Association, as the connecting link between the local Committees and this office. To New Orleans let us render advance thanks for the untiring effort that her bankers have shown in an endeavor to make us feel at home and to provide all that earth can give for our entertainment.

With the intelligent interest in the welfare of this Association by its members, I look forward hopefully into the future.

Respectfully submitted,

FRED. E. FARNSWORTH,
General Secretary.

Report of Executive Council, by Charles H. Huttig, Chairman.
To the American Bankers' Association.

GENTLEMEN: The last convention of this Association was held at Los Angeles, Cal., October 3-7, 1910. The Executive Council since that period has held two meetings, one immediately following the adjournment of the Convention in Los Angeles and the meeting at Nashville, Tenn., on May 1, 2 and 3, 1911. The business transacted at these Council meetings was set forth fully in our JOURNAL-BULLETIN for the months of November, 1910, and May, 1911.

The May meeting, held in the home city of President Watts, was an innovation. The business sessions were unusually well attended and the entertainment furnished by the hospitable people of Nashville gave much pleasure to the participants.

Immediately following the adjournment of the Convention in Los Angeles the Executive Council met and elected the following officers:

Chairman, CHARLES H. HUTTIG,

President Third National Bank, St. Louis, Mo.

General Secretary, FRED E. FARNSWORTH,

11 Pine Street, New York City.

Treasurer, Arthur Reynolds,

President Des Moines National Bank, Des Moines, Iowa.

Assistant Secretary, WILLIAM G. FITZWILSON,

11 Pine Street, New York City.

General Counsel, THOMAS B. PATON,

11 Pine Street, New York City.

At the Los Angeles Convention there were present 49 members and at the meeting in Nashville 64, the total membership of the Council being 80. It is a notable fact that not only was there a large attendance on both occasions, but the meetings were well attended, there being no absentees during the sessions, excepting those who were not in either city. One could not ask for better evidence of the keen interest in the affairs of the Association than the large attendance of the Council members at these meetings.

At the first meeting held in Los Angeles, October 3, 1910, the annual reports of the various departments, Sections and committees were submitted, and either acted upon or referred to the Convention with proper recommendations. The Council authorized the Clearing House Section to employ a suitable secretary with that title. Amendments to the constitution providing for an Administrative Committee and the appointment of various standing committees were presented to the Council and recommended; another amendment providing for the admission of the Organization of Secretaries as a Section of the American Bankers' Association, and yet another to cover changes in the form of handling voucher checks. These were ordered to be reported to the Convention.

The invitations which were submitted to the Council for the next Convention were referred to the Convention.

The second meeting was held on Friday, October 6th, and the before-mentioned officers elected. The report of the Finance Committee, recommending various appropriations, was received and approved.

At the meeting in Nashville in May last important action by the Council occurred in the unanimous adoption of the report of the Currency Commission relating to the "Aldrich plan," with such amendments as had been submitted by the Currency Commission. The adoption of the report of the Clearing House Section authorized a uniform Numerical System for transit department of banks, and approved of a contract with Messrs. Rand, McNally & Company for the publication of a "Key" thereto; and also provided for the appointment of a special committee to be known as the Committee on Numerical System; provided for the semi-annual appropriations asked for by the committees and approved by the Finance Committee; the selection unanimously of New Orleans for the National Convention of 1911; the passage of a resolution to supersede the present resolution under which the Finance Committee was acting; instructing the Law Committee to investigate the subject of special investments for savings deposits.

The appointment of the Administrative Committee, which was authorized at the last Convention and which comprises the President, Vice-President and Chairman of the Executive Council, has eliminated from my report any mention of the meetings of the executive officers, as the deliberations of the Administrative Committee and the reports of their conduct are made to the Executive Council.

The change in the present constitution, which brought about the election of members of the Executive Council by members of the Association attending State conventions, and providing for representation on the Council based on the membership of State Associations, brings together a much larger body than heretofore. The Executive Council is now a representative body and includes members from all parts of the United States on a fair basis of representation in accordance with the selections made by the constituents of the Council membership. It was predicted that the body as now composed would be too large and unwieldy and that it could not dispose of the necessary business with proper despatch and without friction.

Those who are familiar with the Council as it now exists are unanimous in the opinion that it is a business body and that it transacts its business on business principles with calm deliberation, foresight and expedition.

I wish to commend particularly the excellent work of the Sections and the committees of the Association. Their reports will be found to contain valuable information on the results achieved, and should be carefully perused by every member of the Association.

I call your attention also, with much gratification, to the work of the Standing Protective Committee. The personnel unknown except to your officers, that Committee is necessarily deprived of the larger credit which is due it. But "their works go before them," and the American Bankers' Association is distinctly indebted to its Standing Protective Committee.

It is meet and right to express our full appreciation to the various departments of the Association, to the heads of departments and to the General Secretary. Their work has been efficient and thorough. Their co-operation and concentrated effort has placed the Association on a progressive basis, and a higher plane has been attained than at any time during its history.

Your executive officers have worked in perfect harmony, having always in mind the great and growing interests of the American Bankers' Association and its advancement. For my associates I have only the highest personal esteem, for each has viewed his duty as requiring his most intelligent and consistent effort.

I wish to express to the American Bankers' Association my high appreciation of the honor conferred upon me by your Executive Council in electing me Chairman of that body. My Association experience during the past year has been most congenial and pleasant, and it is with keen regret that a severe illness, from which I am slowly recovering, prevents me from being with you on this occasion. My heart and best thought go out to you, one and all, with the sincere wish that the coming year, like its predecessor, may for the American Bankers' Association be full of advancement, strength and prosperity; that the Association may uphold its reputation as being the greatest and strongest organization of its kind in the world, with added usefulness, working for the good of the banks and bankers of the country and the great commercial pursuits of the nation.

Respectfully submitted,

CHARLES H. HUTTIG,
Chairman Executive Council.

Report of General Counsel, Thomas B. Paton.

This report will be confined to a brief general survey of the past year's work on behalf of the Association.

LEGISLATION.

Probably first in importance is the promotion of certain subjects of legislation, beneficial alike to banker and public and heretofore approved by this Association. I refer to the acts to make uniform the law of negotiable instruments, warehouse receipts and bills of lading, recommended by the Commissioners on Uniform State Laws, and to the special acts drafted or prepared by your General Counsel relating to false statements for credit, derogatory statements affecting banks, checks against insufficient funds, burglary with explosives, forged or raised checks, payment of deposits in two names, payment of deposits in trust, competency of bank notaries, for enactment in State legislatures, and to the Stevens bill relating to bills of lading in Congress. These measures have for their object uniformity of commercial law and adequacy of legislation to protect banks against crime or to safeguard or facilitate banking transactions. The proposed acts on many of these subjects have, in previous years, become law in a number of States, but notwithstanding this most desirable narrowing of the field for enactment, I have great pleasure in reporting a considerable number of new enactments in many of the forty-two State and territorial legislatures which convened during 1911.

Specific details as to particular State enactments this year on all these subjects, other than bills of lading, will be given in the report of the Law Committee, and on the last-named subject in the report of the Committee on Bills of Lading. They need not, therefore, be further referred to in this report, except to present a short table giving the number merely of measures recommended by this Association enacted this year, in previous years and the total, which will show at a glance the gratifying progress made during the last few years in this most important movement and what can be accomplished by organized and persistent effort:

TABLE OF STATE ENACTMENTS.

	This Year	Previously	Total To Date
Negotiable Instruments Law.....	2	38	40
Uniform Warehouse Receipts Act....	3	20	23
Uniform Bills of Lading Act.....	7	2	9

	This Year	Previously	Total To Date
False Statements for Credit.....	2	7	9
Derogatory Statements	3	7	10
Checks without Funds	3	11	14
Burglary with Explosives	3	16	19
Forged or Raised Checks	5	13	18
Deposits in Two Names	5	16	21
Deposits in Trust	2	18	20
Competency of Notaries.....	2	4	6
	37	152	189

In connection with the promotion of this legislation your Counsel has devoted much of his time. His work this year has consisted in the preparing of pamphlets containing drafts of proposed laws with annotations, correspondence with secretaries and legislative committeemen of State Bankers' Associations and others concerning their introduction, progress and passage, the preparation of written arguments to meet various objections raised in State legislatures, personal attendance in a few instances at legislative committee hearings, the making of a number of addresses before meetings of commercial organizations, including two State bankers' conventions, and participation in a number of conferences of committees of such organizations. Aside from the advocacy of legislation, your Counsel has participated in special meetings of the Law Committee in New York, Detroit and Cleveland in the conduct of an investigation relative to savings deposits, pursuant to resolution of the Executive Council, and has performed other labor in this connection; he has also given much time to the Committee on Bills of Lading in connection with their consideration of plans for the safeguarding of bills of lading against forgery.

FEDERAL CODE OF COMMERCE

The Committee on Commercial Law of the American Bar Association held a special meeting in Cincinnati on May 29th to consider, among other subjects, the wisdom of recommending the enactment of a Federal Code of Commerce. In view of the possible effect of any such movement upon the welfare of the Stevens bill relating to bills of lading, now pending in Congress, your Counsel attended this meeting and described in detail the history of the movement in behalf of the last-named measure. He showed that after several years of effort, by a pruning out and modifying process, its proponents have at last reached a framework of legislation which, as tested by experience, it will be practicable to have adopted. In view of this he strongly urged that nothing should be recommended by the Committee which would in any way hamper or put back the progress already attained with the present Stevens bill. His position was that while theoretically the enactment by Congress of a complete Federal code that would include the subject of bills of lading might be desirable, its early adoption would be impracticable, and that if such a code were proposed it would give a handle to opponents of the Stevens bill to plead for delay and to argue that there was no need of giving further consideration to that measure. He therefore asked the Committee that they recommend to the American Bar Association the endorsement of the Stevens bill, and if they deemed it their duty to recommend a Federal Code of Commerce as a matter of ultimate legislation, this recommendation be so framed as to make it clear that pending the final consummation of this object the Stevens bill was favored for immediate enactment as a practicable measure of urgent necessity.

At the annual session of the American Bar Association held in Boston last August the Committee on Commercial Law recommended that it give further consideration to the subject of Federal legislation on bills of lading and hold public meetings for the purpose of obtaining the opinions of experts thereon.

UNIFICATION OF INTERNATIONAL LAW OF CHECKS

Upon invitation of Mr. Charles A. Conant, the American delegate to the International Conference on Bills of Exchange, your Counsel has attended a number of conferences held at the New York Chamber of Commerce with foreign exchange bankers, at which the special subject for consideration this year has been the unification of the law of checks. A "Questionnaire," presenting the points to be covered, was gone over section by section at these meetings, preliminary to attendance of the American delegate at the Second International Conference to be held at The Hague for the purpose of participating in the preparation of legislation in regard to checks. At this conference Mr. Conant will also present the views of the United States upon the proposed uniform law on bills of exchange, a preliminary draft of which was adopted at the conference last year.

BURGLARY INSURANCE

In conjunction with the Committee on Fidelity Bonds and Burglary Insurance and after conference of the Committee with representatives of different surety companies, your Counsel prepared and had copyrighted in the name of the Association

a standard form of bank burglary and robbery policy which, in the opinion of experts, is an improvement on any of the existing policies and is intended to take the place of the numerous policies now being written for members of the Association. A copy of this policy was set out in full in the "Journal-Bulletin," for September, 1911. The companies all agreed to the provisions of this policy in the main, but desired its amendment in a few particulars, not affecting its validity from the bankers' standpoint. These amendments were agreed upon at a meeting of the Committee on Fidelity Bonds and Burglary Insurance held in Chicago November 6-8, which was attended by a representative of the companies and by your General Counsel; and the policy will be again copyrighted and ready for issue before the first of January. The report of the Committee on Fidelity Bonds and Burglary Insurance will give more detailed particulars on this subject.

SECTIONS AND COMMITTEES

During the year a variety of services have been performed upon request of different sections and special committees of the Association. For the Clearing House Section a brief was prepared and filed with the Attorney-General of the United States in December, 1910, in support of the proposition that the rules of the New Orleans Clearing House, fixing a minimum charge for collection of out-of-town items, do not violate the anti-trust law. In behalf of the same Section an agreement was drawn up for the publication and copyright in the name of the Association of a Numerical Bank Directory entitled, "Key to Numerical System of the American Bankers' Association," and advice has been given the special committee of transit managers who have had in charge the working out of the numerical system, concerning various phases of the law of endorsements.

A form of Articles of Association for use in the organization of clearing houses in the smaller cities and towns has also been prepared and printed.

In behalf of the Protective Committee your Counsel is constantly consulted by Mr. Gammon, the Manager of the Protective Department, and advice is given upon matters of criminal law arising in the conduct of that department.

Legal work, consisting of opinions upon submitted questions, the furnishing of information and the drafting of papers, has been performed from time to time for the Trust Company Section, the Savings Bank Section, the American Institute of Banking Section and for special committees and officers of the Association.

THE "JOURNAL-BULLETIN."

The work of Counsel in connection with the "Journal-Bulletin," aside from certain general contributions and the yearly index, is mainly confined to furnishing material for that division of the publication classed as the "Legal Department." In this department is published such of the opinions given to members as are deemed of general interest, reference to important legislative enactments or developments in judicial law and an account of the doings of certain committees with the work of which your Counsel is associated.

OPINION WORK

The advisory branch of the work, while it does not show prominent definite results as does the creative work, nevertheless requires the greater part of the time of General Counsel. In addition to personal interviews and consultations, an extensive service is carried on for the individual membership in answering letters calling for general information upon legal matters and for special opinions in particular cases. Letters come from bankers in every State, asking for legal opinions on questions arising in their business which cover the whole range of banking and commercial law. Many of these necessitate time for examination of authorities, and in view of the press of other matters cannot always be answered promptly. The service has been maintained, however, with all the diligence possible consistent with other duties. To illustrate its extent, 260 written legal opinions have been given during the year and several hundred letters conveying general information, this last being additional to a large miscellaneous correspondence in connection with committees and others.

UNIFORM CODE OF COLLECTIONS

In conclusion, your General Counsel would say that his work in connection with the Association absorbs all his time, and with each succeeding year the field seems to widen and new subjects present themselves for remedy and reform. Next in importance to settlement of the currency question would seem the straightening out of the knots and tangles in the law governing the collection of commercial paper, which is now in a most confused state and is not adequately regulated by the Negotiable Instruments Law. The judicial decisions upon nearly all phases of the law of bank collections are in hopeless conflict—they do not square with modern banking customs—and it would seem of the utmost importance to all banks handling collection items that there be prepared for statutory enactment a uniform code of rules simplifying and making uniform the law governing collections, and covering (1) liability of initial bank for default of correspondent, (2) methods of

presentment, direct and circuitous, (3) definite meaning and construction of collection endorsements and guarantees, (4) responsibility for lost items, (5) questions of title and right to proceeds in event of insolvency, and (6) such other topics as are germane to the subject. This is a problem to which General Counsel proposes to address himself at the earliest practicable moment.

Report of the Treasurer, Arthur Reynolds.

DES MOINES, IOWA, Nov. 8, 1911.

Mr. President and Gentlemen:

Your Treasurer's report is of necessity a somewhat lengthy detailed statement, and in view of the fact that the same is printed in full in the pamphlet distributed among delegates by your General Secretary, I shall not occupy your time by reading the itemized statement. However, I regard it the duty of every member of this Association to acquaint himself with the details of this financial report of the Association, and especially the expenditures by the various Sections and Committees. By so doing, a much better insight may be had of the work that is being carried on, and of the splendid results accomplished.

I desire, however, to call the attention of the membership to some of the important items in the report.

The Cash Balance on hand September 1, 1910, was \$1,278.90. The total receipts for the current year were \$196,145.03. The total expenditures for the year were \$195,990.50, leaving a credit balance, September 1, 1911, of \$1,433.43.

These figures may be somewhat startling to some, particularly as to the amount of the expenditures, but it must be remembered that the American Bankers' Association is a great organization and is growing in importance, not only in its increased membership, but also in the extended scope of the work that is being accomplished.

Those who have not been closely identified with the work of the Association can have but little appreciation of what is being done through the co-operation of the membership.

The magnitude of the work can only be understood by carefully perusing the proceedings of the various Sections of the Association. Such an investigation will be most convincing of the need for heavy expenditures. Indeed, the American Bankers' Association is today one of the greatest organizations of its kind the world has ever seen.

I cannot refrain at this time from suggesting that such an organization could never have been built up except through a spirit of loyalty and patriotism on the part of the members, and the self-sacrifice of many individuals for the common good of all; this places the Association above the ordinary conception of the banker conducting business for profit only. It demonstrates what co-operation can accomplish, and the necessity for continued effort to keep the Association and its work on the present high plane.

On September 1, 1911, the General Secretary forwarded to me as Treasurer 11,641 drafts on account of the current membership dues, amounting to \$188,565.00. These drafts have been forwarded for collection, and up to this writing \$173,325.00 has been collected, and I have no doubt that a large part of the remaining unpaid dues will be paid by November 15th.

The Association has for some time kept its surplus funds invested in high-grade bonds, which are deposited with the Bankers' Trust Company of New York under the control of the Executive Committee. The interest on these securities has been regularly collected by the Trust Company and forwarded to me and by me credited to the Association account. The securities held are as follows:

\$10,000 Government 4 per cent. Bonds, 1925.
30,000 Atchison, Topeka & Santa Fe 4 per cent. Bonds, 1995.
50,000 Chicago, Burlington & Quincy Illinois Division 4 per cent. Bonds of 1949.
30,000 New York City Registered Corporation Stock, 3½ per cent., due 1940.

While the duties of the Treasurer are somewhat onerous, yet through the kindly co-operation of the General Secretary and his staff, together with the support of the membership, the work of collecting and disbursing funds has been materially facilitated, and the Treasurer desires to extend to all his hearty appreciation.

The promptness with which the dues have been met this year by the membership is only another indication of the great interest exhibited in the work that is being carried on.

The small financial interest of each member is largely overshadowed by the benefits accruing to all, and I would earnestly recommend that you make yourselves conversant with the details of this and all other reports to this Association.

Respectfully submitted,

ARTHUR REYNOLDS,

Treasurer.

Report of Law Committee, Pierre Jay, Chairman.

Your Committee was appointed by the Administrative Committee pursuant to Section 1 of Article IV of the Constitution and held its first meeting at the offices of the Association on

November 21, 1910, at which drafts of proposed laws on the following subjects, theretofore approved and advocated by the Association, were taken up and plans formulated for their further enactment in States not already having such laws:

1. An act to punish the making or use of false statements to obtain property or credit.
2. An act to punish derogatory statements affecting banks.
3. An act to punish the giving of checks or drafts on any bank or other depository wherein the person so giving such check or draft shall not have sufficient funds or a credit for payment of same.
4. An act defining the crime of burglary with explosives and providing the punishment therefor.
5. An act fixing liability of a bank to its depositor for payment of forged or raised checks.
6. An act relating to payment of deposits in two names.
7. An act relating to payment of deposits in trust.
8. An act concerning notaries public who are stockholders, directors, officers or employees of banks or other corporations.
9. The Uniform Negotiable Instruments Act.
10. The Uniform Warehouse Receipts Act.

Each of the above laws was printed in separate pamphlets, with annotations prepared by the General Counsel showing existing State statutes on the subject accompanied by a statement of the necessity for their enactment, and in December last copies of such pamphlets were forwarded to legislative committeemen, secretaries of State Bankers' Associations and to other interested persons in forty-two States where legislatures were to hold sessions in 1911.

A voluminous correspondence has been carried on while the various legislatures remained in session in behalf of all these proposed laws, and in a number of instances briefs and arguments have been prepared for use before legislative committees in aid of their passage.

The results this year have been most satisfactory. The act to punish the making of false statements has been passed in Connecticut and Missouri; the act to punish derogatory statements in Missouri, Nevada and Wyoming; the act concerning checks or drafts without funds in Alabama, Minnesota and West Virginia; the burglary with explosives statute in Connecticut, Kansas and Wisconsin; the act concerning payment of forged or raised checks in Idaho, Kansas, Maine, Minnesota and Ohio; the act relating to payment of deposits in two names in Iowa, Massachusetts, South Dakota, Wisconsin and Wyoming; the act relating to payment of deposits in trust in Oregon and Wyoming; the act concerning notaries public in Maine and South Dakota; the Negotiable Instruments Law in Delaware and in the Philippines; the Warehouse Receipts Act in Colorado, Missouri and Utah.

Appended to this report (Appendix I) is a summary prepared by the General Counsel, which gives the text of the above Association measures as passed in the different States with modifications which have been made in particular States in the original drafts; and a further summary (Appendix II) giving State legislation in 1911 affecting banks other than measures recommended by the American Bankers' Association.

In addition to its initial meeting in November, this Committee met in Nashville in May and reported its progress to the Executive Council; and has since held four special meetings in New York, Detroit and Cleveland devoted to investigation of the subject of special investment for savings deposits, pursuant to resolution of the Executive Council to whom report thereon has been made.

PIERRE JAY, *Chairman*,
J. F. HAGEY,
ISAAC H. ORR,
LYNN H. DINKINS,
LUCIUS TETER,
THOMAS B. PATON.

(Appendix I.)

ASSOCIATION MEASURES PASSED DURING 1911.

FALSE STATEMENTS FOR CREDIT. Committee's Draft.

AN ACT to punish the making or use of false statements to obtain property or credit.

Be it enacted, etc.

SECTION 1. Any person,

(1) Who shall knowingly make or cause to be made, either directly or indirectly, or through any agency whatsoever, any false statement in writing, or intent that it shall be relied upon, respecting the financial condition, or means or ability to pay, of himself, or any other person, firm or corporation, in whom he is interested, or for whom he is acting, for the purpose of procuring in any form whatsoever, either the delivery of personal property, the payment of cash, the making of a loan or credit, the extension of a credit, the discount of an account receivable, or the making, acceptance, discount, sale or endorsement of a bill of exchange, or promissory note, for the benefit of either himself or of such person, firm or corporation; or

(2) Who, knowing that a false statement in writing has been made, respecting the financial condition or means or ability to pay, of himself, or such person, firm or corporation in which he is interested, or for whom he is acting, procures, upon the faith thereof, for the benefit either of himself, or of such person, firm or corporation, either or any of the things of benefit mentioned in the first sub-division of this section; or

(3) Who, knowing that a statement in writing has been made, respecting the financial condition or means or ability to pay of himself or such person, firm or corporation, in which he is interested, or for whom he is acting, represents on a later day, either orally or in writing, that such statement theretofore made, if then again made on said day, would be then true, when in fact said statement if then made would be false, and procures upon the faith thereof, for the benefit either of himself or of such person, firm or corporation, either or any of the things of benefit mentioned in the first sub-division of this section:

Shall be guilty of a felony, punishable by (insert amount of fine, term of imprisonment or both).

ENACTMENTS

CONNECTICUT.—"Any person who shall knowingly make or cause to be made, either directly or indirectly, or through any agency, any false statement in writing, with intent that it shall be relied upon, concerning the financial condition or means or ability to pay of himself, or of any other person for whom he is acting, or of any firm or corporation in which he is interested or for which he is acting, for the purpose of procuring, for his own benefit or for the benefit of such person, firm or corporation, the delivery of personal property, the payment of cash, the making of a loan or credit, the extension of a credit, the discount of an account receivable, or the making, acceptance, discount, sale, or endorsement of a bill of exchange or promissory note, or who, knowing that a false statement in writing concerning the financial condition or means or ability to pay of himself or of any such person, firm, or corporation has been made, procures, upon the faith thereof, for his own benefit or for the benefit of such person, firm, or corporation, any such delivery, payment, loan, credit, extension, discount, making acceptance, sale or endorsement shall be fined not more than two thousand dollars or imprisoned not more than five years, or both."

MISSOURI.—Committee's draft enacted in substance. Form of enactment changed to read "No person shall knowingly make," etc., and "Nor shall any person knowing," etc., at the beginning of respective paragraphs. Words "either orally or in writing" omitted from third paragraph. Concluding paragraph reads: "Any person, firm or corporation who shall violate any of the provisions of this act shall be deemed guilty of a felony, and upon conviction thereof, shall be punished by imprisonment in the penitentiary, not exceeding five years, or by imprisonment in the county jail not exceeding twelve months, or by a fine not exceeding one thousand dollars, or by both such fine and imprisonment."

DEROGATORY STATEMENTS AFFECTING BANKS Committee's Draft

AN ACT to punish derogatory statements affecting banks.

Be it enacted, etc.

SECTION 1. Any person who shall wilfully and maliciously make, circulate or transmit to another or others any statement, rumor or suggestion, written, printed or by word of mouth, which is directly or by inference derogatory to the financial condition or affects the solvency or financial standing of any bank, savings bank, banking institution or trust company* doing business in this State, or who shall

*The names of banking institutions should be specified according to what they are termed in each particular State.

counsel, aid, procure, or induce another to start, transmit or circulate any such statement or rumor, shall be guilty of a (felony or misdemeanor), and upon conviction thereof, shall be punished by a fine of not more than five thousand dollars or by imprisonment for a term of not more than five years, or both.

ENACTMENTS

MISSOURI.—"Any person who shall make, utter, circulate or transmit to another or others any statement, untrue in fact, derogatory to the financial condition of any bank, banking house, banking company, trust company, surety company, guarantee company, title insurance company, or other financial institution in this Commonwealth with intent to injure any such financial institution, or who shall counsel, aid, procure or induce another to originate, make, utter, transmit or circulate any such statement or rumor with like intent, shall be guilty of a misdemeanor, and upon conviction thereof, shall be fined in a sum not to exceed \$1,000 or imprisoned in the county jail for a period not exceeding one year, or by both such fine and imprisonment."

NEVADA.—"Any person circulating, knowing the same to be false, or instigating others to circulate either by word of mouth, writing or print, false or derogatory stories concerning the credit or solvency of a banking institution shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not to exceed five hundred dollars or by imprisonment in the county jail not to exceed six months, or by both such fine and imprisonment." (Section 46, Banking Law of 1911.)

WYOMING.—Committee's draft enacted, the word "false" being in-

serted before the word "statement" twice appearing therein, and the words "wilfully and maliciously" inserted before the word "counsel." Penalty clause reads: "Shall be guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not less than one hundred dollars nor more than one thousand dollars, or by imprisonment in the county jail for a term of not more than one year, or both."

CHECKS WITHOUT FUNDS

Committee's Draft

AN ACT to punish the giving of checks or drafts on any bank or other depository wherein the person so giving such check or draft shall not have sufficient funds or a credit for the payment of the same. Be it enacted, etc.

SECTION 1. Any person who with intent to defraud shall make or draw or utter or deliver any check, draft or order for the payment of money upon any bank or other depository, knowing at the time of such making, drawing, uttering or delivery that the maker or drawer has not sufficient funds in or credit with such bank or other depository for the payment of such check, draft or order in full upon its presentation, shall be guilty of a (felony or misdemeanor), and upon conviction thereof shall be fined not more than five thousand dollars, or imprisoned not more than five years, or both. The making, drawing, uttering or delivering of such check, draft or order as aforesaid, shall be prima facie evidence of intent to defraud. The word "credit" as used herein shall be construed to mean an arrangement or understanding with the bank or depository for the payment of such check, draft or order.

ENACTMENTS

ALABAMA.—"That any person who, with the intent to injure or defraud, gives, makes or issues to another any draft, order or check either in his own behalf, or as agent for any person or persons, firm or corporation, upon any bank, banking house, person, firm, or corporation in payment for any money, goods or chattels, lands or tenements or other thing of value, the title or possession of which shall have been transferred upon the faith of the payment of such draft, order, or check, knowing at the time that he has not sufficient money on deposit with such bank, banking house, person, firm, or corporation to pay said draft, order or check, shall, upon conviction thereof, be punished as if he had stolen such money, goods, chattels, or other thing of value or the reasonable value of such lands or tenements."

MINNESOTA.—Committee's draft enacted with omission of provision that the making, etc., of such check shall be prima facie evidence of intent to defraud. Penalty clause reads: "Shall be guilty of a gross misdemeanor and upon conviction thereof shall be fined not more than one thousand dollars (\$1,000), or imprisoned not more than one year, or both."

WEST VIRGINIA.—"If any person make, issue and deliver to another for value any check or draft on any bank, and thereby obtain from such other any credit, money, goods or other property of value, and have no funds, or insufficient funds on deposit to his credit in said bank with which such draft or check may be paid, he shall be guilty of a misdemeanor, if the amount of such check or draft be under twenty dollars, and upon conviction thereof be fined not exceeding one hundred dollars and confined in the county jail not less than one day nor more than thirty days, and if the amount of such check or draft be twenty dollars or over he shall be guilty of a felony and confined in the penitentiary not less than one year nor more than two years, and the drawer of such check or draft shall be prosecuted in the county in which he delivers the same. Provided, however, that if the person who makes, issues and delivers any such check shall, within twenty days from the time he receives actual notice, verbal or written, of the protest of such check, pay the same, he shall not be prosecuted under this section, and any prosecution that may have been instituted within the time above mentioned shall, if payment of said check be made as aforesaid, be dismissed at the cost of defendant.

"Justices of the peace shall have jurisdiction to try misdemeanors hereunder. The following form of indictment shall be deemed sufficient." (Form of indictment omitted.)

BURGLARY WITH EXPLOSIVES.

Committee's Draft

AN ACT defining the crime of burglary with explosives and providing the punishment therefor.

Be it enacted, etc.

SECTION 1. Any person who, with intent to commit crime, breaks and enters, either by day or by night, any building, whether inhabited or not, and opens or attempts to open any vault, safe or other secure place by use of nitro-glycerine, dynamite, gunpowder or any other explosive, shall be deemed guilty of burglary with explosives.

SECTION 2. Any person duly convicted of burglary with explosives shall be punished by imprisonment for a term of not less than twenty-five nor more than forty years.

ENACTMENTS

CONNECTICUT.—"Every person who, either in the daytime or in the night season, shall break and enter any building with intent to commit any crime therein and shall open or attempt to open any vault, safe, or other secure place, in such building, by the use of nitro-glycerine, dynamite, gunpowder, or any other explosive, shall be imprisoned not more than thirty years."

KANSAS.—Committee's draft enacted, omitting word "secure" before "place" in Section 1 and concluding portion of Section 2 reads: "shall be sentenced to the Penitentiary in the discretion of the court, for a period of not less than ten years nor more than thirty years."

WISCONSIN.—Committee's draft enacted, omitting words "use of" before "nitro-glycerine" in Section 1 and concluding portion of act reads: "shall be punished by imprisonment for a term of not less than fifteen nor more than forty years."

FORGED OR RAISED CHECKS.

Committee's Draft

AN ACT fixing the liability of a bank to its depositor for payment of forged or raised checks.

Be it enacted, etc.

SECTION 1. No bank which has paid and charged to the account of a depositor any money on a forged or raised check issued in the name of said depositor shall be liable to said depositor for the amount paid thereon unless either (1) within one year after notice to said depositor that the vouchers representing payments charged to the account of said depositor for the period during which such payment was made are ready for delivery, or (2) in case no such notice has been given, within one year after the return to said depositor of the voucher representing such payment, said depositor shall notify the bank that the check so paid is forged or raised.

SECTION 2. The notice referred to in the preceding section may be given by mail to said depositor at his last known address with postage prepaid.

ENACTMENTS

IDAHO.—"No bank or trust company shall be liable to a depositor for the payment by it of a forged or raised check, unless within three (3) months after the return to the depositor of the voucher of such payment, such depositor shall notify the bank or company that the check so paid is forged or raised." (Section 50 of new Banking Law of 1911.)

KANSAS.—Same enactment as in Idaho, except "bank" alone specified and time limit "six months."

MAINE.—Same enactment as in Kansas except time limit "one year."

MINNESOTA.—Committee's draft enacted, "one year" being changed to "six months" in subdivisions 1 and 2.

OHIO.—Committee's draft enacted, words "actual written" inserted before "notice" in subdivision 1 and section 2 of Committee's draft not enacted.

OREGON.—Section 4575 of the Banking Law is amended by inserting the words "or forged indorsement of any check" so that the amended provision reads as follows: "no bank shall be liable to a depositor for the payment by it of a forged or raised check or forged endorsement of any check unless within thirty days after the return to the depositor of the voucher of such payment such depositor shall notify the bank that the check so paid was forged or raised."

PAYMENT OF DEPOSITS IN TWO NAMES

Committee's Draft

AN ACT relative to payment of deposits in two names.

Be it enacted, etc.

SECTION 1. When a deposit has been made, or shall hereafter be made, in any (specify institutions) transacting business in this State in the names of two persons, payable to either, or payable to either or the survivor, such deposit, or any part thereof, or any interest or dividend thereon, may be paid to either of said persons whether the other be living or not; and the receipt or acquittance of the person so paid shall be a valid and sufficient release and discharge to the bank for any payment so made.

ENACTMENTS

IOWA.—"When a deposit shall hereafter be made in any bank or trust company in the names of two persons,"—continues as in Committee's draft, "bank, banker or trust company" being specified in last line.

MASSACHUSETTS.—"When a deposit has been made, or shall hereafter be made, in any bank, savings bank or institution for savings in the names of two persons, payable to either, or payable to either or the survivor, such deposit, or any part thereof, or interest or dividend thereon, if not then attached at law or in equity in a suit against either of said persons, may be paid to either of said persons, whether the other be living or not, and such payment shall discharge the bank, savings bank or institution for savings making such payment from its obligation, if any, to such other person or to his legal representatives for or on account of such deposit. For the purposes of this act the term 'bank' shall include any person or association of persons carrying on the business of banking, whether incorporated or not."

SOUTH DAKOTA.—Committee's draft enacted; word "bank" specified. Words "so paid" omitted in clause as to "receipt or acquittance."

WISCONSIN.—Committee's draft enacted; word "bank" specified. Words "not exceeding five hundred dollars" inserted after word "deposit" in first line.

WYOMING.—Committee's draft enacted; institutions specified are "incorporated bank, trust company or savings bank."

PAYMENT OF DEPOSITS IN TRUST

Committee's Draft

AN ACT relative to payment of deposits in trust.

Be it enacted, etc.

SECTION 1. Whenever any deposit shall be made (specify institutions) by any person in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank, in the event of the death of the trustee, the same, or any part thereof, together with the dividends or interest thereon, may be paid to the person for whom said deposit was made.

ENACTMENTS

OREGON.—Committee's draft enacted. Institutions specified "bank or trust company." Words "person depositing" substituted for "trustee" in phrase reading "in the event of the death of the trustee."

WYOMING.—Committee's draft enacted without specification of institutions in the first line. The act concludes with the following addition; "and in case such person is a minor, to the duly appointed, qualified and acting guardian thereof."

COMPETENCY OF NOTARIES

Committee's Draft

AN ACT concerning notaries public who are stockholders, directors, officers, or employees of banks or other corporations.

Be it enacted, etc.

SECTION 1. It shall be lawful for any notary public who is a stockholder, director, officer or employee of a bank or other corporation to take the acknowledgment of any party to any written instrument executed to or by such corporation, or to administer an oath to any other stockholder, director, officer, employee or agent of such corporation, or to protest for non-acceptance or non-payment bills of exchange, drafts, checks, notes and other negotiable instruments which may be owned or held for collection by such corporation: Provided, it shall be unlawful for any notary public to take the acknowledgment of an instrument by or to a bank or other corporation of which he is a stockholder, director, officer, or employee, where such a notary is a party to such instrument, either individually or as a representative of such corporation, or to protest any negotiable instrument owned or held for collection by such corporation, where such notary is individually a party to such instrument.

ENACTMENTS

MAINE.—Committee's draft enacted; words "bank or other" inserted before "corporation" in three places.

SOUTH DAKOTA.—Committee's draft enacted.

(See also Appendix II under State headings "Indiana," "Iowa" and "Wisconsin" for reference to statutes validating past acts of notaries who were stockholders or officers of corporations that were parties to instruments acknowledged or protested.)

UNIFORM NEGOTIABLE INSTRUMENTS ACT

Enacted in
Delaware,

Philippines.

UNIFORM WAREHOUSE RECEIPTS ACT

Enacted in
Colorado

Missouri,

Utah.

UNIFORM BILLS OF LADING ACT.

Enacted in
Connecticut
Illinois,

Iowa,
Michigan,
Pennsylvania.
(Appendix II)

New York,
Ohio,

STATE LEGISLATION AFFECTING BANKS, ENACTED DURING 1911, OTHER THAN MEASURES RECOMMENDED BY AMERICAN BANKERS' ASSOCIATION.

ALABAMA.

Columbus Day, October 12th, made legal holiday.

Mardi Gras Day, Tuesday before Ash Wednesday, made legal holiday.

General Banking Law, entitled, "An act to create a banking department of the State of Alabama, and through this department to regulate, examine, supervise banks and banking and to punish certain prohibited acts thereto."

CALIFORNIA

Amends law relating to holidays (Civ. Code, Sec. 7; Political Code, Sec. 10; Code Civ. Proc., Sec. 10) as to sessions of public schools on certain holidays. Also by inserting Lincoln's Birthday, made a legal holiday in 1909, in its appropriate place in the Code sections.

Amendments of the following sections of the Banking Law:

Section 11, by adding requirement that board of directors of bank must hold meeting at least once a month.

Section 16, payment of deposit of decedent, not exceeding \$500, upon affidavit, without letters of administration.

Section 20, reserve of banks other than savings banks.

Section 23, requirements of banks desiring to do departmental business.

Section 33, prohibiting officer or employee to borrow deposits, etc.

Section 35, prohibiting director, etc., from selling to bank certain real estate mortgages or contracts without written consent of Superintendent.

Section 39, making it felony for officer, etc., to receive commission for procuring loan.

Section 43, deposit of funds in other banks.

Section 49, advertising or putting forth sign as savings bank.

Section 60, cash capital of savings banks.

Section 61, investments of savings banks.

Section 62, by allowing savings banks to borrow postal savings moneys of the United States and receive postal savings moneys on deposit.

Section 68, lawful money reserve of savings bank or savings department.

Section 80, limiting loans by commercial banks to single borrowers.

Section 82, paid-in capital of commercial banks hereafter organized.

Section 83, loans by commercial banks to directors.

Section 96, eliminating requirement that securities deposited by trust companies must be registered in name of State treasurer officially.

Section 120, office and term of Superintendent of Banks.

Section 121, employment of assistants by Superintendent, etc.

Section 123, State banking fund to defray expenses of banking department.

Section 124, examination of banks.

Section 133, making action by Superintendent compulsory, instead of mandatory, in case of impairment of capital.

Section 137, dissolution of banks.

Addition of sections to Banking Law, as follows:

Section 12A, prohibiting unauthorized persons and corporations from advertising or transacting business of a bank, savings bank or trust company and from doing other acts.

Section 52, requiring certified checks to be immediately charged against account of drawer and making it unlawful to certify a check unless drawer has on deposit a sufficient amount for its payment.

Section 53, relating to par and paid-up value of capital stock of bank and providing that no bank shall have preferred stock.

Section 68½, authorizing public administrator to allow decedent's deposit to remain in savings bank and to make other deposits to account of decedent.

Section 84, prohibiting a commercial bank from investing an amount exceeding capital and surplus in its bank premises without approval of Superintendent and authority of two-thirds vote of full board of directors.

COLORADO

A new act relating to banks and banking, providing a graded capital; also the segregation of savings deposits with provision that savings assets shall constitute a trust fund for the payment of savings depositors; also providing that every bank doing business in the State shall protect its unsecured depositors either by the guarantee plan or the security plan provided by the act.

The Bank Commissioner of Colorado advises that this act is not yet the law of the State, and its operation has been suspended until the election of 1912, when it will possibly be defeated.

DELAWARE

Columbus Day, October 12th, made legal holiday.

An act restricting the use of the word "trust" as part of name of any corporation now existing or hereafter created under the laws of Delaware. Provides that corporations using word "trust" as part of name shall be under the supervision of Insurance Commissioner and make not less than two reports each year; prohibits use of word "trust" except by corporations reporting to and under supervision of Insurance Commissioner; and also prohibits all but excepted corporations from advertising or putting forth any sign, soliciting or receiving deposits or transacting business as a trust company.

FLORIDA.

General act for organization of trust companies. Prohibits the use of word "trust" as part of name of any company not organized under act.

An act authorizing the employment of an additional bank examiner.

An act to amend Section 1369 of the General Statutes relative to rights and liabilities of sureties and accommodation signers on bonds, notes, drafts and bills of exchange and providing for contribution between such persons.

HAWAII

Any day appointed by the President of the United States as a day of thanksgiving, "or appointed by the governor of the territory as a holiday," shall be a territorial holiday.

IDAHO

June 15th, Idaho Pioneer Day, made a holiday.

October 12th, Columbus Day, made a holiday.

An act amending Section 130 of Article 3 of the Revised Codes.

relating to the deposit of State funds. Relates to State and county warrants as security for deposits.

A new general Banking Law, entitled, "An act providing for the appointment of a State bank commissioner; prescribing his qualifications, duties and compensation; fixing the capital required to do a banking business; and providing for the examination, regulation and control of banks and trust companies doing a banking business, and fixing the fees for examination; providing for the formation and conduct of banking corporations and trust companies doing a banking business and for the sale of delinquent stock thereof; and fixing the qualification and liabilities of officers, directors and stockholders of banking corporations and trust companies doing a banking business; prohibiting banking, except under the provisions of this act; providing for the liquidation of banks and banking and trust companies and the distribution of the assets thereof; making an appropriation for the carrying out of the purposes of this act; declaring an emergency; prescribing offenses and penalties; and repealing other acts in conflict with this act."

INDIANA

October 12th, Discovery Day, made a legal holiday.

February 12th, omitted from the days declared legal holidays.

An act to amend Section 3 of an act entitled, "An act to authorize and regulate the incorporation of banks of discount and deposit in the State of Indiana," approved February 7, 1873. Amended provision relates to the filing of bonds of president and cashier.

An act entitled "An act providing for the appointment and fixing the powers of examiners for, and regulating the examination of all banks of discount and deposit, savings banks, loan and trust and safe deposit companies formed and organized pursuant to the laws of the State of Indiana, fixing the fees therefor and repealing an act entitled 'An act providing for the appointment and fixing the powers of examiners for and regulating the examination of all banks of discount and deposit, savings banks, loan and trust and safe deposit companies, formed and organized pursuant to the laws of the State of Indiana and repealing all laws and parts of laws in conflict therewith,' approved March 9, 1907, and declaring an emergency."

An act in relation to notaries public, legalizing the acts of notaries who have acknowledged the execution of instruments, "which acts of said notaries public would be valid except for the fact that such notaries public may have been officers, stockholders or employees in corporations which were parties to the instrument, the signatures of which are so acknowledged by such notary public."

IOWA

An act amending Sections 1310 and 1311 of the Code, and the law as it appears in Section 1321 of the supplement to the Code, 1907, relating to the taxation of moneys and credits and private banks, and repealing the law as it appears in Section 1322 of the supplement to the Code, 1907, and enacting a substitute therefor relating to the taxation of the shares of stock of National banks, State and savings banks and loan and trust companies, and defining moneyed capital and providing for the taxation thereof.

An act to repeal Section 1873 of the Code and Section 1873 of the supplement to the Code, 1907, and to enact a substitute therefor relating to the examination of savings banks and State banks by the auditor and to the publication of the statements thereof in some newspaper.

An act legalizing acknowledgments of instruments heretofore taken by notaries public, including acknowledgments of instruments made by any private or other corporation or to which such corporation was a party or under which such corporation was a beneficiary, which have been acknowledged by any notary public who was at the time stockholder or officer in such corporation.

KANSAS

Columbus Day, October 12th, made a legal holiday.

An act authorizing the Bank Commissioner to contribute public funds for the detection, apprehension and conviction of bank robbers, and making an appropriation therefor.

An act amending Sections 542, 543 and 545 of the General Statutes of 1909, relating to the bank depositors' guarantee fund in the State of Kansas and repealing said original sections.

An act amending Section 81 of Chapter 10 of the General Statutes of 1909, being general Section 540 of the General Statutes of 1909, being "An act providing for the security of depositors in the incorporated banks of Kansas, creating the bank depositors' guarantee fund of the State of Kansas, and providing regulations therefor and penalties for the violation thereof"; and repealing said Section 81 of said Chapter 10.

An act amending Section 499 of the General Statutes of 1909 relating to banks and banking, and repealing said original Section 499.

An act to provide for the regulation and supervision of investment companies and provide penalties for the violation thereof.

An act amending Section 1916 of the General Statutes of 1909 relating to trust companies.

MAINE

Columbus Day, October 12th, made a legal holiday.

An act to regulate the investment of deposits in banks and trust companies. Provides that every trust company receiving savings deposits shall segregate assets at least equal to the aggregate amount thereof; such assets to be held for the security and payment of such

deposits and not mingled with other assets or liable for debts of company until after such deposits have been paid in full, and all other assets of company, including liability of stockholders, to be held equally and ratably for payment of all claims, including any balance due savings depositors after applying segregated assets. Also provides for manner of identifying segregated assets and allows trust companies to require savings depositors to give not exceeding 90 days' notice of intention to withdraw.

An act amendatory of and additional to Chapter 48 of the Revised Statutes, relating to annual examinations of savings banks and trust companies and verification of savings deposits.

MICHIGAN

Act adding a new section to Banking Law (Section 42) relating to impairment of bank capital and assessment to make good deficiency.

Act amending Section 1 of the Banking Law by adding proviso concerning rights and powers as to capitalization or otherwise of a bank organized in a territory which has been annexed to a city.

Act amending Section 7 of the Banking Law relating to examination and issue of certificate to commence business.

Act amending Section 2 of act relating to bills of lading passed in 1909.

MINNESOTA

An act amending the Banking Law relating to the limit of loans of banks.

An act amending Section 11 of Chapter 201, Laws of 1909, relating to salary and expenses of Superintendent of Banks and other employees in Department of Banking.

MISSOURI

An act amending Section 1080, Article 1, Chapter 12, Revised Statutes of 1909, providing for examination of banks, etc.

An act for incorporation of mortgage loan companies.

An act amending Section 1096, Chapter 12, Article 2, of the Banking Law, relating to cash capital required of banks of deposit and discount by adding a proviso that private bankers in any city of not less than 150,000 nor more than 500,000 inhabitants and having a paid-up unimpaired capital of not less than \$10,000, upon complying with the other provisions of this article, may be incorporated with their present capital under their present name, style or title, changing same if necessary by joining thereto some word or words designating the business to be carried on by such corporation; but no such corporation shall thereafter have a banking house or office nearer than three miles to the main post-office building in such city as the same is now located.

NEW HAMPSHIRE

An act relative to proceedings against and the liquidation of institutions under the supervision of the Bank Commissioners.

An act for the regulation of trust and banking companies. Provides that business must begin within four years of incorporation; repeals certain provisions as to sale of bonds; provides how dividends shall be declared and paid; amount of cash reserve; personal liability of stockholders.

An act to provide for the taxation of savings banks.

NEBRASKA

An act to amend Sections 3, 8, 9, 14, 16, 22, 26, 27, 45, 46, 47 and 58 of Chapter 8 of the Compiled Statutes of 1909 (Sections 3702, 3707, 3708, 3713, 3715, 3731, 3725, 3726, 3744, 3746, 3747 and 3758 of Cobbe's Annotated Statutes for 1909), relating to the regulation, supervision and control of the business of banking, and to repeal said original Sections 3, 8, 9, 14, 16, 22, 26, 27, 45, 46, 47 and 58 of Chapter 8 of the Compiled Statutes for 1909 (Sections 3702, 3707, 3708, 3713, 3715, 3721, 3725, 3726, 3744, 3746, 3747 and 3758 of Cobbe's Annotated Statutes for 1909), as the same now exist, and to declare an emergency.

An act authorizing the organization of trust companies, and defining their powers, duties and privileges, and generally regulating such corporations, and authorizing judges, courts and competent persons or authority to appoint such companies to be executors, administrators, trustees, guardians, receivers, assignees, agents and attorneys in fact for any person or persons, partnership or bodies politic or corporate, and to repeal all acts or parts of acts in conflict herewith, and providing a penalty for violation thereof.

NEW JERSEY

An act amending Section 19 of the act of 1896 concerning corporations and specifying by what officers of corporations certificates of stock shall be signed.

An act amending Section 40 of the act of 1896 concerning savings banks. Relates to dividends, surplus fund and interest on deposits.

NEVADA

An act to regulate banking and other matters relating thereto. It provides for incorporation of banks, the business in which they may engage, including trust companies and savings bank business, how the funds of a savings bank must be invested, regulations concerning pass-book, minimum capitalization of \$25,000 for a bank or trust company and many other provisions. In 1909 Nevada passed an act to define and regulate the business of banking. The act of 1911 does not specifically repeal the act of 1909, but provides for the repeal of "all acts or parts of acts in conflict with the provisions of this act."

NEW YORK.

- An act to amend the Banking Law in relation to lawful money reserve.
- An act to amend the Finance Law in relation to deposits of money by State officers.
- An act to amend the Finance Law in relation to the deposit in banks of money by charitable and benevolent institutions.
- An act to amend the Greater New York Charter in relation to deposit of public moneys of the City of New York.
- An act to amend Stock Transfer Act.
- An act to amend the Banking Law in relation to safe deposit companies. Relates to remedy for non-payment rent of safe.
- An act to amend the Banking Law in relation to lien of safe deposit companies on packages left in vaults.
- An act to amend the General Business Law in relation to private bankers.
- An act to amend the Code of Civil Procedure in relation to attachment of interest in corporation. (Relates to attachment of stocks, etc.)
- An act to amend the Personal Property Law in relation to sales of goods. (Uniform Sales Act.)
- An act to amend the Banking Law relative to loans to officers, directors, clerks or agents of corporations subject to the Banking Law or to corporations controlled by such officers, directors, clerks or agents.
- An act to amend the Banking Law in relation to powers of trust companies. (Amends subdivision 11 of Section 186.)
- An act to amend the Banking Law relative to reports.
- An act to amend the Banking Law relative to meetings of directors or trustees and reports thereto.
- An act to amend the Banking Law in relation to security to be furnished by banks designated as depositories of court funds.
- Two acts to amend the Tax Law in relation to taxable transfers.
- An act to amend the General Corporation Law in relation to prohibition of banking powers.
- An act to amend the Banking Law relative to certain foreign banking corporations.
- An act to amend the Tax Law by adding Article 15, relating to taxation of secured debts.
- An act to amend the Banking Law in relation to savings and loan associations.

NORTH CAROLINA

- An act to provide for the better enforcement of the liability of stockholders in State banks.
- An act limiting the liability to be assumed by fidelity and surety companies.
- An act to authorize married women to contract and deal as if unmarried.

NORTH DAKOTA

- An act prescribing the conditions by which the Public Examiner, his deputies and employees of the State Public Examiner's Department, officers and employees from any banking association in this State may secure loans from banking associations with which they are in any way connected, and fixing the liability for non-compliance with the provisions of this act.
- An act to make it unlawful for corporations having banking powers to invest more than 30 per cent. of its capital stock and surplus in banking house, furniture and fixtures, defining its powers as to other real estate and repealing Section 4640 of the Revised Codes for the year 1905.
- An act to amend Sections 4635, 4638, 4641 and 4664 of the Revised Codes of 1905, relating to State banking corporations; creating a separate banking department; and providing for placing banking and other financial corporations within the jurisdiction and control of the same.
- An act providing for the establishing of savings banks and defining the powers and restrictions of the same. This act provides for organization of stock savings bank, limits deposits to twenty times capital and surplus, allows directors to require notice before withdrawal, ranging from one week upwards, according to amount of deposit; provides special investment of funds; regulates payment of deposits by executors, minors, etc.; provides a reserve and prohibits use of word "savings" by corporations not organized under act; prohibits receipt of savings deposits by corporations not organized under act except National, State banks and annuity safe deposit and trust companies; also regulates loans to directors and officers.
- An act to legalize all notes and other written evidence of indebtedness providing for more than 7 per cent., but not exceeding 12 per cent. per annum interest, and amending Section 5513 of the 1905 Code, relating to penalty for usury.

OHIO

- An act to amend Section 5978 of the General Code by omitting the provision as to presentment and protest of negotiable paper payable on a half-holiday Saturday.
- An act to provide a depository for State funds.
- An act to restrict the use of the word "State" in the name or corporate title of banking companies.
- An act to amend Sections 5672 and 5673 of the General Code, relating to the collection of taxes upon bank shares.
- An act to amend Sections 9703, 9711, 9716, 9721, 9758, 9759 and 12898 of the General Code, relative to organizing and government of incorporated banking companies.

- An act to repeal Sections 5446 to 5542-8, inclusive, and 5542-10 to 5542-24, inclusive, of the General Code, as enacted May 10, 1910 (101 Ohio L., 399), relating to the Tax Commission of Ohio and to further define its powers and duties. . . . "Section 162. Nothing in this act shall be held or construed to permit the commission, or any of its agents or employees, to examine the deposit accounts or take a list of the depositors of any building and loan association or bank, savings bank, savings society, society for savings, savings and loan association, safe deposit company, trust company and savings and trust company, or a list of the shareholders of any building and loan association."
- Uniform Stock Transfer Act.

OKLAHOMA

- Columbus Day, October 12th, made special annual holiday, provided "that nothing in this act shall render illegal the service of process or the transaction of other business on this day."
- An act to amend Section 1 of Article 2 of Chapter 6, Session Laws of 1907-1908, and Section 1 of Article 1, Chapter 5 of the Session Laws of 1909, relating to banks and banking, and Section 3 of Article 2, Chapter 5 of the Session Laws of 1909, relating to banks and banking, and declaring an emergency.
- An act to amend Section 5, Chapter 4 of the Session Laws of Oklahoma, 1903, entitled, "An act amendatory of Sections 2, 5 and 54, Chapter 4, Session Laws of Oklahoma, 1899, and repealing Sections 6, 7 and 8, Chapter 4, Session Laws of Oklahoma, 1899." Relates to organization of trust companies.
- An act requiring treasurers of cities, towns, villages, treasurers of boards of education of cities, township treasurer and school district treasurer to deposit all money belonging to such city, town, village, board of education of cities, township and school district funds in banks paying 3 per cent. interest on daily balances, fixing penalty for violation thereof, and declaring an emergency.

OREGON

- Columbus Day, October 12th, made a legal holiday.
- An act to provide for the discharge of judgments against persons discharged under the United States Bankrupt Law.
- An act to amend Sections 4557, 4558, 4559, 4560, 4561, 4562, 4564, 4565, 4566, 4568, 4569, 4570, 4571, 4572, 4573, 4574, 4575, 4576, 4578, 4579, 4580, 4581, 4582, 4583, 4584, 4585, 4586, 4588, 4589, 4590, 4591, 4592, 4594, 4595, 4596, 4597 and 4598 of Lord's Oregon Laws, and all acts and parts of acts in conflict with the provisions of this act in so far as they are in conflict with the same. This act amends the Banking Law in numerous particulars.

PENNSYLVANIA

- An act which amends and restates the act approved June 23, 1897, relating to holidays, omitting the third Tuesday of February from the days designated as holidays and inserting October 12th, which was declared a legal holiday in 1900.
- An act authorizing a married woman to make conveyances of real estate to her husband, and validating all such conveyances heretofore made.
- An act requiring each and every director of a bank of discount, banking company, co-operative banking association, trust company, safe deposit company, real estate company, mortgage company, title insurance company, guarantee company, surety and indemnity company and savings bank, which has been or may hereafter be incorporated under the laws of this Commonwealth, with the right to receive moneys on deposit, to take an oath of office, and prescribing the form thereof; said oath to be filed with the Commissioner of Banking.
- An act to prevent the issuing or transfer by any person, other than a warehouseman or person controlling a place for storing of goods, of any paper in similitude of a warehouse receipt, and prescribing punishment therefor.
- An act to provide for licensing and regulating private banking in the Commonwealth of Pennsylvania, and providing penalties for the violation thereof.
- Uniform Stock Transfer Act.

PHILIPPINES

- An act to amend act numbered 1865 by increasing to 60 per cent. of the value of the mortgaged property the amount which may be loaned by the Agricultural Bank.
- An act in amendment of Chapter 232 of the General Laws, entitled, "of investments," and of the several acts in amendment thereof. Relates to deposits in savings banks, or received as savings deposits, or on participation by banks and trust companies, how to be invested.
- An act in amendment of Chapter 546 of the Public Laws, entitled, "An act in amendment of Section 12 of Chapter 230 of the General Laws, entitled, 'Of incorporation of savings banks.'" Defines the duties of Auditing Committee.

SOUTH CAROLINA

- An act to amend an act entitled, "An act to provide for the appointment of a Bank Examiner and to define the duties of his office," approved February 23, 1906, by amending Section 3 thereof, and by adding another section to be known as Section 4a. Section 3 relates to term of office, compensation, etc., and Section 4a examination of branch banks.
- An act to amend an act entitled, "An act to authorize the appointment of certain banking corporations and trust companies as trustees,

executors, administrators, guardians, receivers or assignees," approved February 20, 1903.

An act to require corporations to issue new certificates of stock to shareholders whose certificates have been destroyed or lost.

SOUTH DAKOTA

An act to amend Section 9 of Article 2 of Chapter 222 of the Session Laws of 1909, relating to organization and control of banks.

An act providing for fees to be paid by building, savings and loan associations for examination.

An act entitled, An act to provide for the organization of trust companies, defining their powers, and to repeal Chapter 74 of the Session Laws of 1905.

An act entitled, An act to reorganize the Banking Department of the State of South Dakota and to bring trust companies and banks more fully under the control and supervision of the Public Examiner, and to repeal Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19 of Article 1 of Chapter 222 of the Session Laws of 1909, relating thereto, and providing penalties therefor.

TEXAS.

Columbus Day, October 12th, made a State holiday.

An act to amend Chapter 164 of the General Laws of the State of Texas, passed at the regular session of the Twenty-ninth Legislature, approved May 1, 1905, relating to a system of State, county and city depositories for State, county and city funds, as amended by Chapter 90, General Laws of the State of Texas, passed at the regular session of the Thirtieth Legislature, and approved April 12, 1907, also relating to the same subject; so as to further define what banks or banking institutions may become State depositories and providing for the advertising of bids for the safe keeping and the payment of the deposits of said funds; and further regulating such depositories, repealing all laws in conflict with this act, and declaring an emergency.

An act to provide for the removal of a married woman's disabilities of coverture and to declare her feme sole for mercantile and trading purposes, and declaring an emergency.

UTAH.

An act designating a Bank Commissioner; providing for the appointment of Bank Examiners and prescribing their duties and fixing their salaries; providing for examinations and fixing a fee for annual examinations; providing for the organization of banks and banking companies and regulating the business of such companies; prescribing the powers and duties of the directors and fixing penalties for the non-performance of such duties; prohibiting the establishment of private or partnership banks; prohibiting the maintenance or establishment of branch banks; prohibiting unauthorized banking; permitting foreign banks to operate in the State under certain conditions; providing for reorganization from a National bank to a State bank, and from a State bank to a National bank; requiring reports to be made to the Banking Commissioner and fixing a penalty for failure to make such reports; providing for a receivership for violation of certain provisions of this act, and repealing Chapter 7 of Title 76, and Chapter 5 of Title 14, and Section 969, Compiled Laws of Utah, 1907.

WASHINGTON

Columbus Day, October 12th, made a legal holiday.

An act relating to legal holidays; provides that whenever any legal holiday, other than Sunday, shall fall upon any Sunday, the next day following such date shall become and be held as a legal holiday.

An act allowing foreign corporations to loan money in the State, and amending Section 1 of Chapter 176 of the Laws of 1903.

WEST VIRGINIA

October 12th, Columbus Day, made a legal holiday.

WISCONSIN

An act to amend Section 2024-33 of the Statutes, relating to the purchase of bank stock and loaning money thereon.

An act to amend Section 2024-1 of the Statutes, providing for the kind and method and manner of keeping books and accounts of banks operating under the laws of this State. Amends statute by adding the following: "Section 2. All books of original entry, such as the cash book or journal, the registers of certificates of deposit of drafts and of loans and discounts, shall be required to be kept in permanently bound books. The so-called card system shall in no case be permitted as a substitute for a ledger in any bank."

An act to amend Section 2024-33 of the Statutes, relating to loans made by banks on real estate.

An act to amend Sections, 2016, 2018 and 2019 of the Statutes, relating to the regulation and supervision of banking business, and providing for the payment of examination fees by banks, and making an appropriation therefor.

An act to create subsection 8 of Section 693 of the Statutes, relating to the designation of county depositories.

An act to amend Section 2024-68 and Section 2024-69 of the Statutes, relating to the investment of the funds of mutual savings banks.

An act to amend Section 1680 of the Statutes, relating to acceptance of bills of exchange. This act substitutes the word "drawee" for "drawer" in the provision of the Negotiable Instruments Law, requiring acceptances to be in writing "and signed by the drawee."

An act to amend Section 2024-14 of the Statutes, relating to the duties of the directors of banks.

An act providing for a half holiday on the day of holding the annual municipal election in cities of the first class.

Uniform Sales Act.

An act adding to the Statutes a new section, to read: "Section 175m. No acknowledgment to a deed, mortgage or other written instrument heretofore executed to or by a bank or other corporation which has been acknowledged before a notary public who, at the time of taking such acknowledgment, was a stockholder, director, officer or employee of the bank or other corporation, to whom or by whom such instrument was made shall be declared invalid, or to have been illegally executed and acknowledged because the notary public taking the acknowledgment was a stockholder, director, officer or employee of the bank or other corporation to which or by which such instrument was made, and no protest of a bill of exchange, draft, check, note or other negotiable instrument which has been heretofore protested for non-acceptance or non-payment by a notary public who, at the time of such protest, was a stockholder, director, officer or employee of the bank to which such bill, draft, check or other negotiable instrument was presented for acceptance or payment shall be declared to have been illegally protested because the notary public making the protest was, at the time of making such protest, a stockholder, director, officer or employee of the bank to which such bill, draft, check or other negotiable instrument was presented for acceptance or payment." This act took effect from and after its passage and publication. It was approved July 6, 1911.

WYOMING.

An act to amend and re-enact Section 2334 of Chapter 156 of the Compiled Statutes of Wyoming, 1910, providing for the assessment for taxation of capital and other property of corporations, banks and banking associations doing business in the State.

Report of the Committee on Bills of Lading, by Clay H. Hollister, Chairman.

It is with the greatest pleasure that the Bills of Lading Committee can today present its annual report to an audience made up in goodly numbers from those who are accustomed in their daily business to handle bills of lading representing large amounts of cotton and other staple products.

We like you because you will refuse to be bored by details that you know something about. Then again we want you next winter to send to Washington some good men who understand your needs and have them tell the Interstate and Foreign Commerce Committees of the House and Senate why the Stevens Bill is worthy of consideration and why it should be promptly passed without any more delays.

We do not wish to have it necessary to see in the New Orleans papers the headlines that last winter darkened the page of one of your local dailies with the sentiment:

"The Senate is Deaf to Plea of Bankers, Deaf also to the needs of million people supported by the Cotton Trade."

Why should your fourteen million bales of cotton which are worth gold dollars to you when shipped to your customers be impaired in their value to you by fraud, carelessness or indifference on the part of any one handling the shipment?

The work of this Committee in dealing with the numerous vexing details submitted to it would certainly be a burden except for the realization that, no matter what the present condition is in point of accomplishment, it is far and away ahead of what it has been.

Down here in the South you know the value of a good bill of lading as distinct from a poor one. You have tried both kinds. The rascally misuse of the poor ones has at times seriously threatened your ability to use your good ones.

With no sense of pride your Committee can say that it has been a real factor in smoothing over situations that were tense, disturbing and dangerous to legitimate and honest business and have assisted in keeping open the customary channels of finance while these differences between buyer, seller and carrier were being adjusted.

Your main Committee has had in charge distinctly the work of urging the Passage of the Stevens Bill by Congress and the Uniform Bills of Lading Act by the various State legislatures which have been in session. The latter work in conjunction with able assistance from the Law Committee.

Your sub-committee have worked studiously for the perfection of the validation plan adopted by the railroads, and also have been frequently consulted with regard to the formation of a Central Bureau under the auspices of the Liverpool Cotton Conference. All of their work has been of an advisory character, but it has nevertheless been extremely valuable in reconciling the attitude of the foreign purchaser of cotton bills to that of the home carrier and seller of exchange. The real point at issue, which was the protection of the true bill of lading against fraud, carelessness and indifference, has been sometimes very much obscured in a fog of suspicion prompted by business rivalry, but fortunately that condition is fast passing away as the integrity and the absolutely fair working of the Central Bureau plan becomes understood.

Your Committee have felt justified in devoting time to perfecting the situation with reference to cotton bills as they

would to any other large factor of freight, and with the ideal to be hoped for that all bills of lading issued and drawn against for value should be carefully and practically safeguarded.

Our work before Congress and Congressional Committees has been in advocacy of the Stevens Bill, relating to bills of lading. This measure was originally drafted by our General Counsel, and its purpose is to raise the bill of lading to the standard of a valid instrument of credit by making a bill good in the hands of a holder for value, although issued without the goods having been received or where the goods have been delivered without taking up the bill. The Stevens Bill also provides that an altered bill shall be good for its original tenor, and further contains certain provisions relating to the form and contents of the bill which have been recommended by the Interstate Commerce Commission.

Following our success in securing the passage of the Stevens Bill by the House of Representatives at the long session of the Sixty-first Congress in June, 1910, which, however, did not progress in the Senate because of the short time which elapsed before the close of the session, our Committee spared no effort to secure a hearing and passage of the measure in the short session of the Sixty-first Congress, which opened in December, 1910. Our prospects seemed favorable, especially in view of the fact that, owing to the educational campaign that had been carried on by our Committee and the wide publicity given to the Southern cotton bill of lading frauds, the President had in his message to Congress, last December, urgently recommended legislation to regulate forged and fraudulent bills of lading, in language quoting as follows:

"For the protection of our own people and the preservation of our credit in foreign trade, I urge upon Congress the immediate enactment of a law under which one who in good faith advances money or credit upon a bill of lading issued by a common carrier upon an interstate or foreign shipment can hold the carrier liable for the value of the goods described in the bill at the valuation specified in the bill, at least to the extent of the advances made in reliance upon it. Such liability exists under the laws of many of the States. I see no objection to permitting two classes of bills of lading to be issued: (1) Those under which a carrier shall be absolutely liable, as above suggested, and (2) those with respect to which the carrier shall assume no liability, except for the goods actually delivered to the agent issuing the bill. The carrier might be permitted to make a small separate specific charge in addition to the rate of transportation for such guaranteed bill, as an insurance premium against loss from the added risk, thus removing the principal objection which I understand is made by the railroad companies to the imposition of the liability suggested, viz.: that the ordinary transportation rate would not compensate them for the liability assumed by the absolute guarantee of the accuracy of the bills of lading.

"I further recommend that a punishment of fine and imprisonment be imposed upon railroad agents and shippers for fraud or misrepresentation in connection with the issue of bills of lading issued upon interstate and foreign shipments."

Every effort was made to impress upon the Senate Committee on Interstate Commerce the importance of the subject and the necessity of an early hearing. But owing to the brevity of the session and the conditions in the Senate, caused by the death of a number of Senators and the consequent breaking up of Committees, a hearing by the Committee on Interstate Commerce was denied and the legislation accordingly failed in the Sixty-first Congress.

Last December your Committee caused to be prepared a circular of valuable advice to bankers, which contained instructions to banks handling bills of lading and a red card listing the dangers which banks undergo in financing Order Bills. This circular was distributed to every member of the American Bankers' Association and has proved of two-fold benefit in more thoroughly acquainting banks with the risks incurred in handling bills of lading and in spurring on the bankers and merchants of the country to greater activity in behalf of remedial legislation.

On April 13, 1911, during the first extra session of the Sixty-second Congress, the Stevens Bill was re-introduced in the House by Mr. Stevens of Minnesota (H. R. 4726) and was again referred to the House Committee on Interstate and Foreign Commerce. On the same day it was also re-introduced by Senator Clapp, of Minnesota (S. 957), and referred to the Senate Committee on Interstate Commerce.

The Chairman of your Committee, accompanied by its Counsel, Mr. Paton, visited Washington shortly thereafter and spent two days in conference with the various members of the House Committee and with Senator Clapp, in the hope of obtaining an early hearing on the bill. Many of the Committee members were found in sympathy with the proposed legislation but, as subsequent developments showed, no hearing could be obtained during the extra session. On July 22, 1911, Congressman Adamson, of Georgia, the new Chairman of the House Committee on Interstate and Foreign Commerce, introduced a measure of his own on the subject, entitled "A Bill to prevent the issuing or accepting in interstate commerce of forged and fraudulent bills of lading" (H. R. 12806), which was also referred to that Committee. It will be recalled that Mr. Adamson and Representative Bartlett, also of Georgia, were the

two members of the House Committee who filed a dissenting report at the first session of the sixty-first Congress, when the majority of the Committee made a favorable report of the Stevens Bill. The Adamson Bill is impracticable in many of its features and especially objectionable to the banking interests. For example, one provision of that bill makes it unlawful for any bank or officer or agent thereof to accept a bill of lading as security "without first ascertaining by actual inquiry and investigation that the shipment described in the bill of lading was really delivered to the carrier," with fine and imprisonment for non-compliance and an added liability of the bank to subsequent holders for all losses sustained by reason of any such false bill. How many bills of lading would banks handle with such a provision in the law as that?

When Congress reconvenes in December, the Stevens Bill will be urged and the Adamson Bill opposed by your Committee.

While remedial legislation in Congress has not as yet been accomplished, your Committee have been actively engaged in aiding in the promotion of the Uniform Bill of Lading Act in the different States and are gratified to report that the Uniform Act has passed this year in the following States:

New York,	Illinois,
Ohio,	Iowa,
Pennsylvania,	Michigan,
Connecticut,	

In addition to the activities of the various members of your Committee in behalf of uniform State legislation, the Counsel of the Committee, Mr. Paton, has prepared a number of briefs and arguments for use in the different States, has appeared before committees of State legislatures in its support, and has explained the measure at meetings and conferences of commercial organizations and Bankers' Associations.

The Uniform Bill of Lading Act became a law in the States of Maryland and Massachusetts in 1910, so that the law, at present, is in force in nine States.

The sub-committee, as has been previously stated, has, in an advisory capacity, been working toward perfecting the validation plan which is now in successful operation. The Central Bureau plan has also been considered most carefully and also in an advisory capacity, and the best thought of the sub-committee has been devoted to assisting this most important forward movement. The Chairman of the sub-committee, Mr. Fred. I. Kent, has prepared a statement concerning this plan and we herewith submit his report, which has the approval of your main committee.

REPORT OF THE SUB-COMMITTEE, BY MR. FRED. I. KENT, CHAIRMAN.

The Liverpool Cotton Conference presented a plan for safeguarding cotton bills of lading to the sub-committee of the Bill of Lading Committee, of which, at the time, Mr. Walter E. Frew was Chairman, in December, 1910. This plan, which is the so-called Central Bureau plan, was unanimously approved by the Committee, with the suggestion that it might be advisable to change some of the detail when the plan was worked out.

Mr. Charles S. Haight, the American representative of the Liverpool Cotton Conference, advised the sub-committee in the spring of 1911 that it was ready to proceed with the establishment of the proposed system, and requested that a meeting be called of the representatives of the cotton-carrying railroads in New York City. It was thought that by holding such a conference much time would be saved, and that the plan could be more fully discussed and its feasibility determined at such a meeting. A meeting was then called at the Chamber of Commerce in New York City, which was attended by representatives of the principal cotton-carrying railroads of the United States. Mr. Haight presented the plan of the Liverpool Cotton Conference. After considerable discussion the plan was agreed to, and a committee was appointed, consisting of seven railroad men, the representative of the Liverpool Cotton Conference, and two members of the sub-committee. A form of agreement was drawn up by this committee, also a statement recommending to the railroads that they take part in the plan and sign the agreement. The form of agreement, together with the detail of the plan, was presented to and accepted by the regular Bill of Lading Committee at the meeting held in Nashville. This report was then made a part of the report of the regular Bill of Lading Committee, and was approved by the Executive Council. Mr. Haight thereupon went to Europe to have the matter confirmed by the foreign committees interested. His report to them was unanimously accepted by both the Bankers' Committee and the Liverpool Cotton Conference, representing the buyers of cotton. The foreign bankers' committee authorized the Liverpool Cotton Conference to carry on the negotiations and put the system in operation.

In the meantime a conference was held in New York, which was attended by representatives of Southern bankers and cotton shippers, and buyers of foreign exchange outside of New York, at which a detailed explanation of the Central Bureau plan was made. Opposition having developed at this meeting, Mr. Haight was requested immediately upon his return to the United States to meet with the Southern interests in New

Orleans, and advise them of the attitude of the Liverpool Conference toward the portions of the plan to which objections had been made.

A meeting was called of the sub-committee to hear Mr. Haight's report. He stated that the Central Bureau had been established by the Liverpool Cotton Conference. They felt justified in doing this, as it did not mean any additional cost to American interests and made it possible for the agreement of the railroads to be effective September 1st, as originally called for. The Liverpool interests also felt confident that every objection that might be raised by American interests could be successfully answered, and that with the Central Bureau in working order, it would be much easier to make such changes in the plan as might seem necessary.

The sub-committee in due order notified the railroads that the Executive Council of the American Bankers' Association and the Liverpool Committee had passed upon the agreement and approved it. The Chairman of the Liverpool Cotton Conference then forwarded letters to American exchange buyers, explaining the system and asking their co-operation. One of the forms suggested did not meet with the approval of American exchange buyers, as it was feared that it might carry with it some additional responsibility. The Liverpool Cotton Conference agreed to change this form in any manner desired to remove this objection, and Mr. Paton, the attorney for the American Bankers' Association, was requested to draw up a new form. A meeting was then called of the regular Bill of Lading Committee, which the members of the sub-committee were invited to attend. The objections which had been made to the plan were considered, and the new form of advice which exchange buyers were to forward to the Central Bureau, and which was aimed to meet all valid objections to the form originally drawn up approved. Mr. Haight then called a meeting of exchange buyers in New York City, showed them copies of the new form, explained the matter to them, and stated that if this form did not meet with their entire approval the Liverpool Cotton Conference would willingly accept any other form which would be satisfactory. He stated specifically that it was not the desire nor intention of the Liverpool Cotton Conference to have American buyers of foreign exchange assume any additional liability or responsibility. No objections whatever were raised to this form by those present at the meeting.

Since the meeting of the regular Bill of Lading Committee already referred to, the sub-committee has not been called together. The Liverpool Cotton Conference has been carrying on the negotiations alone.

It was understood that the Liverpool Conference, representing as it does the cotton buyers, would explain the system to the American cotton shippers, and they issued a letter of explanation to American shippers of cotton, giving the whole detail of the plan.

The Central Bureau has been receiving bills of lading daily since September 1st from all parts of the South. They have also been receiving notices from exchange buyers of cotton purchased by them. These notices have been attached to and filed with their respective bills of lading. Sufficient documents have been received by the Central Bureau to enable them to determine beyond any question of doubt as to the effectiveness of the system, if used by all shippers and exchange buyers. One of the objections raised to the system, viz., that errors would occur in the issuance of bills of lading, and that unnecessary friction would be caused shippers and bankers on this account, has been proved to be untrue. While a number of errors have actually occurred, yet the Central Bureau has in every case been able to trace them satisfactorily and make proper corrections without either the shipper or the banker buying the exchange being any the wiser. The actual working of the Central Bureau has proved conclusively that it is possible to check up bills of lading with certainty. This includes the signatures of agents signing bills of lading, the signatures of agents signing the validation certificates, the form of validation certificates and the fact that actual bills of lading had been issued covering the cotton represented by documents attached to bills of exchange purchased by American bankers. No other plan which has ever been suggested would have made it possible to have satisfactorily accomplished any of these things. The working of the plan has proved its simplicity. While it has seemed complex to those who have read an explanation of it, this has been due to the fact that the operations have covered the action of a number of different interests. Each of these interests, however, has a very simple act to perform, the railroads having to forward copies of the bills of lading to the Central Bureau, the shippers having to fill out a paper describing the bills of lading, the exchange buyers having to compare and mail such notices and the Central Bureau having to receive, file and compare all documents. The detail of the Central Bureau is very great, but that is a matter which need not concern any of the American interests, as the Central Bureau is the creation of the Liverpool Cotton Conference. As already stated, even though the detail of the Central Bureau, due to the vast number of bills of lading received, is very great, yet it is being handled effectively and without friction, and is doing all promised for it.

Report of Standing Protective Committee.

To the Executive Council and Members of the American Bankers' Association:

Your Standing Protective Committee submits herewith its annual report for the fiscal year ending August 31, 1911.

FINANCIAL STATEMENT.

From September 1, 1910, to August 31, 1911, inclusive.

CREDITS.

Oct. 6, 1910, By appropriation of Executive Council	\$15,225.61
Oct. 6, 1910, By appropriation of Executive Council	25,000.00
May 1, 1911, By appropriation of Executive Council	25,000.00
Received from sales of old filing cases	6.00
Received in settlement of Du Bois, Pa., case	24.60
	<hr/> \$65,256.21

DISBURSEMENTS.

Rent	\$499.92
Legal services	713.97
The Wm. J. Burns National Detective Agency...	53,067.59
Salaries Protective Department	5,481.36
Stationery	52.42
Convention Expenses, 1910.....	310.34
Telephone and Telegraph	62.04
Expenses for extraditing and witnesses.....	273.50
Traveling expenses	243.57
Executive Council meeting	87.67
Press clippings	1.38
Sundry extra expenses and disbursements of General Counsel, Thomas B. Paton.....	159.95
Department's expense, ice, water and towels....	19.57
	<hr/> 60,973.28

September 1, 1911, Credit balance..... \$4,282.93

ARRESTS, ETC.

For the period covered from September 1, 1910, up to and including August 31, 1911, your Committee beg to report as to its operations against criminals, as follows:

Total cases not disposed of arrested prior to Sept. 1, 1910.....	57
Total arrests since Sept. 1, 1910.....	205
	<hr/> 262
Convicted	124
Released, escaped, killed and died.....	59
	<hr/> 183
September 1, 1911, Awaiting trial.....	79

Since the beginning of the fiscal year, September 1, 1910, up to and including August 31, 1911, there have been 37 burglaries and attempted burglaries and hold-ups reported on members, and 146 similar crimes, including sneak theft, on non-members as follows:

Non-Members		Non-Members	
Members	Members	Members	Members
Alabama	1	New Hampshire..	1
Arizona	1	New Mexico.....	1
Arkansas	3	New York.....	5
California	1	North Dakota....	1
Colorado	1	Ohio	5
Georgia	1	Oklahoma	16
Illinois	17	Oregon	2
Indiana	8	Pennsylvania ...	2
Iowa	12	South Dakota....	6
Kansas	14	Tennessee	4
Kentucky	2	Texas	7
Louisiana	1	Utah	1
Maine	1	Vermont	3
Massachusetts ..	1	Washington	1
Michigan	4	West Virginia...	1
Minnesota	2	Wisconsin	5
Mississippi	1	Wyoming	1
Missouri	9		<hr/> 37
Montana	1		<hr/> 146
Nebraska	12		

Of the 37 attacks on members, 11 were successful; 14 attempts were made by professionals; 9 attempts by amateurs where no explosives were used; 1 professional hold-up, and 2 attempted hold-ups.

Of the 146 attacks on non-members, they were all made by professionals, amateur attacks on non-members as a rule not being reported to this Department.

The loss by attacks on members amounts to \$32,130.40, while the loss from attacks on non-members amounts to \$205,979.64.

The above figures do not accurately represent the number of attacks upon non-member banks, nor do they give the actual

losses sustained by such banks as the result of the depredations enumerated. These statistics are necessarily incomplete, because of the difficulty encountered in gaining information from the banks in question. We submit, however, that a careful comparison of the above two statements tells its own significant story.

The following figures are given for your information of reported burglaries and attempted burglaries on banks since the inauguration of the Protective Feature, such as are known:

Non-Members	1,275	Loss	\$1,769,877.48
Members	254	"	194,414.54
Difference	1,021		\$1,575,462.94

On September 1, 1909, when the Protective Department was established and the present Protective Committee accepted their appointment, the records of the General Secretary's Office showed a membership of 10,682, and at the close of the fiscal year ending August 31, 1911, the records showed a membership of 12,072, making a gain of 1,390. This gain in membership as reported by the General Secretary's Office is very gratifying to this Committee, as it enlarges the scope of their operations and shows that the banks of the country realize the benefits to be derived from the Protective Feature of the Association.

We cite the following instance:

In the town of Waterville, Kan., on December 31, 1910, there were three banks, one member and two non-members, all located within seventy-five feet of each other. On that night "yeggs" made successful attacks on the two non-member banks, securing over \$3,000.00 from one and \$4,000.00 from the other. They did not attack the member bank, which clearly demonstrates that they preferred to operate against the non-member banks in preference to the member.

On April 12, 1911, our Detective Agents rounded up one of the most dangerous gangs of "yeggmen" in the country at Toledo, O., in connection with a burglary on a bank member in Michigan. They were assisted by the post-office authorities and railroad officers. Most of these criminals have been sent to prison, as reported in the JOURNAL.

Relative to forgers and bogus check operators, these criminals are on the decrease as to the professionals, while the amateur operators appear to be on the increase. From the reports of the Protective Department, about two-thirds of the cases reported of this nature are the operations of amateurs.

CORRESPONDENCE.

The Protective Department has received during the past fiscal year 17,482 reports and other communications from our Detective Agents; they have also received 1,302 letters and telegrams, and have written 3,374 letters and telegrams. These figures, however, do not include circular letters and similar communications.

PHOTOGRAPHS.

The gallery of the Protective Department now contains 1,632 photographs of parties who have operated against banks, with a complete criminal history of each one.

OFFICES OF OUR DETECTIVE AGENTS.

When our Detective Agents—The William J. Burns National Detective Agency—less than two years ago took the contract to handle our criminal work, they did not have any offices of their own. They now have thirteen offices of their own, located at New York, N. Y.; Chicago, Ill.; San Francisco and Los Angeles, Cal.; Philadelphia and Pittsburgh, Pa.; Seattle, Wash.; Boston, Mass.; Portland, Ore.; Minneapolis, Minn.; Kansas City, Mo.; New Orleans, La.; Cleveland, O., and also sixteen reliable correspondents, fourteen being located in prominent cities in this country, one at London, England, and one at Paris, France.

REPORTS.

Mr. L. W. Gammon, Manager, will read his report to you, which covers matters pertaining to the Protective Department other than those contained in this Committee's report.

We wish particularly to commend the Manager of our Protective Department, Mr. L. W. Gammon.

Mr. Gammon's work has been very effective for the Association. He is thoroughly interested in every phase of it, and has a knowledge and experience which makes him valuable to the Association.

Our Detective Agents will make a detailed report of the work accomplished by them during the past fiscal year. Their report will be published in the Annual Proceedings, and also printed in pamphlet form for distribution at this Convention.

For more detailed information as to particular cases referred to, we respectfully refer you to the monthly JOURNAL.

All of which is respectfully submitted.

THE STANDING PROTECTIVE COMMITTEE,
FRED. E. FARNSWORTH,
Secretary.

Report of the Fidelity and Burglary Insurance Committee.

To the American Bankers' Association:

In presenting our report, we desire to call your attention to the fact that a Committee was first appointed at a meeting of the Association held in Denver in 1898, and served until they were discharged by a resolution of the convention at the meeting held in New York in 1904. Four of the present members served on the original Committee, and have been through this work from the beginning. The other three members, while they were not associated with the former Committee, have for years given careful thought and study to these questions, consequently the entire Committee is well versed in the subject of insurance. The present Committee was appointed in Chicago in 1909.

The Committee recognizes the fact that this year the Association must determine as to what course it will pursue, and decide whether or not it will be its policy to secure protection to its members in the lines of insurance, referred to us for investigation or forever abandon any effort in this direction. The Committee has positive information that unless the American Bankers' Association takes the necessary steps to assure this protection, an outside organization will be completed for this purpose. The Committees having this in hand are only waiting the action of this Convention.

Correspondence requiring over 50,000 letters shows that the bankers are deeply interested in this subject.

Inquiries were sent to 25,600 banks since May 1, 1911, and replies from 13,081 give reliable information on which to base our report.

It is interesting to look back to the reports of this Committee in former years and note the changes that have taken place.

In 1898, the average rate for Fidelity Bonds per \$1,000 was \$3.89. In 1904, the average rate for Fidelity Bonds per \$1,000 was \$3.04. In 1910, the average rate for Fidelity Bonds per \$1,000 was \$3.06. In 1911, the average rate for Fidelity Bonds per \$1,000 was \$2.74. On July 1, there was a further reduction of 50c. per \$1,000 or \$2.24.

The reduction of rates during the past year means an annual saving to the members of the American Bankers' Association on fidelity bonds alone, of \$314,674.73. This reduction in rates has benefited the banks who are not members of the Association as well, and the savings to these institutions will amount annually to \$79,192.72, or a total saving to the bankers of the United States annually without regard to membership in the Association of \$393,877.45.

The loss paid by surety companies on fidelity bonds for the year amount to \$142,630.00, while the members of the Association are paying annual premiums amounting to \$1,141,045.04, equal to eight times the loss.

FIDELITY BONDS.

The Committee, in 1899, prepared and copyrighted a standard form of Fidelity Bond for the use of the members of the American Bankers' Association. This bond has been adopted by many of the banks, members of the Association. It has stood the test for all these years, and we believe it is the best form of Fidelity Bond written today.

The Committee has endeavored to find if there were any serious defects in this bond, and have made a careful search for legal decisions concerning it. We have found in the few cases that have been litigated, that it has come about through warranties placed in the applications by the surety companies which were made a part of the contract thereby defeating the provisions of this bond. The Committee has repeatedly warned the banks to read carefully all applications and be sure that they sign no guarantee that would defeat the provisions of the bond.

BURGLARY INSURANCE.

Our Committee has given special thought to Burglary Insurance this year, and has the most complete statistics and information on this subject that has ever been gotten together. We have reports from 10,174 banks carrying Burglary Insurance. The total amount of premiums paid by members of the American Bankers' Association is \$434,042.86, and the non-members are paying \$300,994.83 against a total loss for 1911 of \$213,097.68. The losses to non-members equals sixty-one per cent. (61%) of the premiums paid annually, while the loss to the members of the Association equals only 7 per cent. of the premium paid.

The average rate for Burglary Insurance in 1909 was \$3.29 per thousand. In 1911 the average rate was \$2.74, and the reduction of 50c made July 1 by the Surety Companies will bring the average rate down to \$2.24 per thousand. The reduction since 1909 saves annually to the members of the American Bankers' Association \$176,835.92, and to the banks not members \$84,183.69, or a total saving for all banks of \$261,019.61. The average rate paid by the members of the American Bankers' Association in 1911 is \$2.69 per thousand, while the average rate paid by banks not members is \$2.95 per thousand.

BURGLARY INSURANCE POLICY.

Attached and made a part of this report is the form of Burglary Insurance Policy prepared and copyrighted for the members of the American Bankers' Association by your Committee. This Committee immediately after our appointment in 1909, took up the study of the subject of Burglary Insurance. We carefully considered the numerous policies written by the different insurance companies. The counsel for the Association, Mr. Thos. B. Paton, looked up the legal decisions affecting such insurance, and after a careful consideration of all the forms and the legal questions involved, we prepared a uniform Burglary Insurance Policy which we have had copyrighted for the exclusive use of members of the American Bankers' Association.

Before copyrighting this form, and recognizing the fact that the burglary insurance companies of the United States should be consulted, we sent copies of the tentative draft of the policy prepared by our counsel to all of the Burglary Insurance Companies doing business in the United States that we could learn of, asking them to carefully consider the form and to send representatives to a meeting to be held in New York, June 1, 1911. Eighteen of the insurance companies were represented at this meeting, their representatives claiming to come as a committee, not only representing the Burglary Insurance Association of America, but of all burglary insurance companies in the United States. Before any consideration was given the policy, the statement was made to the representatives of the companies that whatever form of policy was agreed upon it would be copyrighted by us for the exclusive use of the American Bankers' Association.

We also informed them that as a committee we had no authority to grant the indiscriminate writing of this policy by insurance companies for banks not members of the Association, that being a question for the Executive Council, or the Association itself to pass upon at its annual meeting, and the policy was accordingly prepared with this understanding, after a careful consideration, section by section, of its provisions in a conference lasting three days. Twenty of the surety companies signified their approval of this policy.

On November 6, at Chicago, was held a meeting of our Committee. At this meeting we considered the objections raised to some of the provisions of the policy, both by the surety companies, our counsel, actuary, and the members of our Committee. We have made the corrections that were essential to be made, and have instructed our attorney to take the necessary steps to have the revised form copyrighted.

This policy beyond all doubt is the best form of burglary policy in existence and is recognized as such by all the companies writing such insurance.

It establishes a uniform policy that is for the best interest of the bankers, as it will be the means of preventing needless litigation and expense, not only to the members of the Association, but to the insurance companies as well.

Your Committee recommends that commencing not earlier than January 1, 1912, the Burglary Insurance Companies be permitted to write the American Bankers' Association copyrighted form of policy, providing that they make application to the General Secretary of the Association and sign an agreement to be prepared by the Committee, protecting the rights of the Association and its members; the Committee to send out notices and copies of the agreement to the insurance companies who will be given thirty days from the date of such notice, to determine whether or not they will accept the provisions.

The Burglary Insurance Companies, through their representatives, brought influence to bear upon the secretaries of the different State Associations who held contracts, or acted as the agents of such companies, asking them to use their influence and insist upon it that our Committee should grant the indiscriminate writing of our Burglary Insurance Policy to all bankers, whether members of the American Bankers' Association or not.

This request our Committee felt we had not the authority to grant, and referred it to the members of the Executive Council, who decided that it had best come up for discussion at its November meeting.

The Burglary Assurance Association of America was notified of this decision and they unanimously decided that they would not write our form of policy for any bank until after it was considered at our annual meeting. Thus the matter stands.

We made inquiry of the chairman of the Committee representing all the Burglary Insurance Companies of the United States whether or not they would be willing to agree to write this policy for members of the American Bankers' Association and for members of the different State Bankers' Associations only, agreeing not to write it for banks who did not belong to any association. Their reply was:

"The committee has been given to understand that personally you are disposed to recommend the extension of the use of the policy to banks that are members of a State Bankers' Association, but not to banks at large. Inasmuch as there are only two or three of the companies that write their bankers' insurance through State Bank-

ers' Associations under contracts with such Association, the extension of the use of the policy to members of the State Bankers' Association would be no more satisfactory to the majority of the companies than would be the restriction of its use to members of the American Bankers' Association."

The Burglary Insurance Committee asked that our Committee make the following change in our policy:

"The assured is and will be during the currency of this insurance a subscriber to detective service furnished by _____ agency."

This request the members of our Committee unanimously rejected. We considered that it would be an imposition on any bank to require them to pay this additional expense. The Committee is convinced that there is no Protective Detective Association that can possibly give to its members the protection that a membership in the American Bankers' Association gives.

Since the Protective Committee was first appointed in 1900, there have been 1,218 banks robbed that were not members, while there have been 231 members robbed.

While the membership is about half of the number of banks in the United States, yet there are seven non-members attacked to one member, and the loss is 61 per cent of the premiums paid by non-members, while the loss to members of the American Bankers' Association is but 7 per cent of premiums paid.

We are convinced there is no better protection to be had than by being a member of the American Bankers' Association with its efficiently managed protective department.

DEPOSITORY BONDS.

We made inquiries this year asking for the amount of Depository Bonds carried by banks not members of the Association. 623 banks carry \$15,407,921.75. Premiums paid \$47,881.14. Average rate of premium paid is \$3.10 per thousand. These banks have replied that if this protection could be had at a reasonable premium, they would use \$12,379,470.00 additional bonds.

We did not make inquiry of the members of Association this year as to Depository Bonds, but from answers received last year, the members reported:

512 banks gave private bonds to secure deposits.....	\$8,685,500.00
1275 banks gave Surety Co. bonds.....	\$49,522,450.00
771 banks paid a premium of \$5 per \$1,000.	:
The other banks paid a premium of \$2 to \$10 per \$1,000.	:

Your Committee believes that a uniform Depository Bond should be prepared for the use of the members of the Association, that a careful study should be made of rates, and it should be insisted upon that banks only be required to pay premiums on the average amount of risks. If the banks should pay their premium in advance, then there should be a provision in their bonds refunding the unearned portion of premiums at the rates at which the risk was taken and not on a short rate basis.

AMOUNT SAVED TO THE BANKERS.

Your Committee feels that through its efforts since its inception, they have been the principal factors in bringing about the reduction of rates, yet we do not wish to depreciate in any manner the splendid work done by the Secretaries of the different State Associations, and the assistance rendered by the membership of the Association, yet we feel a commendable pride in the fact that the statistics show the amount saved to members in 1911 on Fidelity Bonds:

Amount saved members, 1911, Fidelity.....	\$314,674.73
" " " 1911, Burglary	176,835.92
Total savings to members.....	\$491,510.65
Amount saved non-members, Fidelity.....	\$79,192.72
" " " Burglary	84,183.69
Total	\$163,376.41

Total savings in premiums to all banks in United States..\$654,887.06

The savings annually for the past two years have been enormous and beyond the comprehension of any one, unless it were possible for them to make the investigation and secure the information that we have. The bankers of the Association are a special class who are paying hundreds of thousands of dollars in premiums in excess of a fair and a reasonable amount for such protection, and we should see to it that this protection is had at a reasonable figure.

The bank risks are a preferred class in all lines of insurance and should insist upon being recognized as such, and not made to carry the burden of less desirable risks.

Your Committee desires to call your attention to the tables showing the average rates paid by members and non-members of the American Bankers' Association for the year 1902, as compared with the present year, and we would suggest that the members of the Association carefully consider these statistics as they will save them quite a considerable amount annually over the special rates that they now seem to enjoy.

From the information and statistics gathered by your Committee, it has also been demonstrated that there is lack of uniformity in the rates charged for bank insurance, and that some of the members of this Association are now paying from two to ten times more for burglary and fidelity insurance than the actual premium which should be charged if the business was properly regulated.

Your Committee would, therefore, recommend that it be instructed and empowered to take such steps as may be necessary either by negotiation with existing companies, or by a separate corporation, to place the business of writing burglary, fidelity and other insurance for members upon a more satisfactory basis, with the end in view of providing the members of this Association with valid and collectable bank insurance, at a reduced and reasonable rate.

If such steps are not taken at this time, the initiative will be taken by the State Bankers' Associations with the result that the insurance feature will be transferred from the National to organized State Associations to the consequent detriment of the National body. Your Committee believes that the best interests of this Association will be served by itself taking the initiative, and this must be now done, if at all.

The members of the Committee wish to thank the executive officers, the members of the Executive Council, the Vice-Presidents, and the members of the Association for the courtesies shown us. We also wish to thank the bankers that are not members of the Association, who have so promptly and cheerfully responded to our inquiries, and we hope that our efforts may prove of lasting benefit to the bankers of the United States.

Respectfully submitted,

JOHN L. HAMILTON
COL. F. H. FRIES
CALDWELL HARDY
W. P. MANLEY
GEORGE L. RAMSEY
C. Q. CHANDLER
C. E. BATCHELLER

Committee on Fidelity and Burglary Insurance.

FIDELITY BONDS.

	Rates paid per M by Members	Rates paid per M by Members	Rates paid per M by non Mbrs.	Rates paid per M by non Mbrs.
	1902.	1911.	1902.	1911.
Alabama	\$3.84	\$2.78	\$3.56	\$2.82
Arizona	3.81	3.09	....	....
Arkansas	2.54	2.76	3.66	2.65
California	4.30	3.24	3.18	3.85
Colorado	4.32	3.26	5.00	3.55
Connecticut	3.26	3.05	3.47	2.87
Delaware	3.59	3.07	3.55	2.81
District of Columbia	4.09	2.93	....	....
Florida	3.08	3.01	5.00	2.95
Georgia	3.16	2.91	3.07	4.12
Idaho	3.50	3.52	2.50	3.21
Illinois	3.31	2.89	4.08	2.58
Indiana	3.34	3.08	3.38	2.99
Iowa	3.37	2.65	3.71	1.18
Kansas	2.87	2.27	3.44	2.21
Kentucky	3.18	2.68	3.94	2.40
Louisiana	4.26	3.23	4.01	1.47
Maine	3.70	2.81	3.83	2.79
Maryland	4.03	3.71	3.15	2.53
Massachusetts	3.62	3.10	3.34	2.99
Michigan	3.28	3.17	3.66	2.98
Minnesota	2.95	2.61	3.52	2.45
Mississippi	3.37	2.82	3.62	2.95
Missouri	1.99	2.80	2.88	3.44
Montana	2.95	3.15	3.16	4.01
Nebraska	4.41	3.08	3.93	1.99
Nevada .....	....	3.13	....	2.50
New Hampshire.....	3.47	2.93	3.19	1.53
New Jersey.....	3.13	2.92	3.11	2.79
New Mexico.....	3.11	4.07	4.00	3.00
New York	3.45	3.18	3.38	2.47
North Carolina.....	3.24	2.98	3.89	3.06
North Dakota.....	3.52	2.75	4.32	2.44
Ohio	3.29	4.67	3.95	2.43
Oklahoma	3.38	3.23	4.03	3.95
Oregon	3.67	3.10	3.00	3.33
Pennsylvania	3.54	4.06	2.44	2.37
Rhode Island	3.92	3.12	3.85	2.95
South Carolina.....	4.71	2.86	4.01	3.09
South Dakota.....	3.14	3.11	5.06	2.94
Tennessee	3.50	2.70	2.99	2.62
Texas	3.29	2.46	3.40	2.16
Utah	3.17	3.17	....	3.00
Vermont	2.92	2.70	2.87	2.80
Virginia	2.88	2.69	3.24	3.19
Washington	4.17	3.11	2.97	3.94
West Virginia.....	3.13	3.14	2.91	3.15
Wisconsin	3.56	3.09	3.88	2.64
Wyoming	2.50	4.08	3.50	2.74

BURGLARY INSURANCE.

Comparison showing the variation per thousand and the average rates paid by members and non-members.

	Variation of rates A. B. A. 1911.	Variation of rates non-mb. 1911.	Rates A. B. A. '11.	Non mb. 1911.
Alabama	\$ 83	\$7.00	\$1.00	\$6.00
Arizona	2.00	11.00	....	....
Arkansas	2.00	7.82	1.12	8.00
California	2.00	25.00	.37	12.35
Colorado .....	.80	15.00	1.50	10.00
Connecticut .....	.97	8.40	2.64	9.00
Delaware	1.78	6.18	1.83	6.00
Dist. of Columbia.....	3.25	7.50	....	....
Florida	1.20	13.00	2.00	15.00
Georgia .....	.65	12.00	1.00	10.00
Idaho	1.00	10.40	1.15	22.00
Illinois .....	.62	13.00	2.50	10.00
Indiana	1.00	13.00	.50	10.00
Iowa .....	.66	10.92	1.50	20.00
Kansas .....	.65	12.00	.75	22.50
Kentucky	1.00	7.75	1.00	18.00
Louisiana .....	.76	12.50	1.44	3.00
Maine .....	.68	4.00	1.41	6.46
Maryland .....	.93	13.98	1.00	8.33
Massachusetts .....	.62	17.50	1.28	6.00
Michigan .....	.50	10.00	1.00	25.00
Minnesota .....	.72	10.00	.95	12.00
Mississippi .....	.66	10.00	1.50	13.33
Missouri .....	.95	12.28	.60	11.00
Montana .....	.87	10.50	1.39	13.00
Nebraska	1.00	....	.39	30.20
Nevada .....	.63	7.54	....	....
New Hampshire.....	.75	4.25	.85	5.00
New Jersey .....	.54	10.00	1.50	8.00
New Mexico	1.17	9.55	1.80	5.00
New York .....	.58	13.66	.85	10.66
North Carolina .....	.88	7.00	1.30	10.00
North Dakota .....	.65	10.00	1.20	24.97
Ohio .....	.67	11.00	.40	20.26
Oklahoma .....	.88	18.00	.33	23.57
Oregon .....	.90	10.00	1.50	4.75
Pennsylvania .....	.57	19.00	.50	19.00
Rhode Island.....	1.40	10.00	....	....
South Carolina .....	.40	14.70	1.50	7.00
South Dakota.....	1.00	13.50	.86	33.00
Tennessee .....	.50	9.00	.22	8.00
Texas .....	.64	12.28	.50	11.00
Utah	1.50	9.23	3.00	10.50
Vermont .....	.90	8.00	2.50	10.00
Virginia .....	.66	14.33	1.00	9.67
Washington .....	.72	10.00	1.66	9.50
West Virginia .....	.60	11.00	1.20	26.40
Wisconsin .....	.60	15.00	1.00	10.00
Wyoming .....	.84	10.50	4.00	10.90

Report of Committee on Forms for National and State Banks.

To the Chairman and Executive Council, The American Bankers' Association, New Orleans, Louisiana.

New York City, October 24, 1911.

Gentlemen:

Your Committee on Forms for National and State Banks, appointed by resolution of your Council at Atlantic City, May 4th, 1910, begs leave to report that its work is not yet completed.

A mass of work has been accomplished at considerable time and labor by your Committee and its assistants, but, owing to the fact that the three members of the Committee live in widely separated localities—Chicago, New York and Richmond—more or less delay and difficulty has been experienced in getting together at frequent intervals. A great part of the work, however, has been completed, and it is confidently anticipated that at the spring meeting of your Council a final report will be presented.

At Los Angeles the Executive Council appropriated \$5,000 to carry on this work, with the authority vested in your executive officers to increase in their judgment the appropriation by not exceeding \$3,000.

Your Committee has expended from the appropriation referred to for actual expenses in attending meetings, postage, and so forth, \$528.26. A request has been made to your Finance Committee to recommend for the coming year an appropriation of \$4,500, with authority vested in the executive officers to increase it in their judgment by not exceeding \$3,000.

It is the opinion of your Committee that the books should be sold at a price that will reimburse the Association for the expenditure, and to insure this orders will be taken for the books

in advance of its completion, so that approximately correct estimates may be made of costs and receipts. Some idea of the magnitude of the work necessary can be imagined when it is stated that between four thousand and five thousand forms must be examined and considered carefully, and properly printed and so forth. Respectfully submitted,

COMMITTEE ON FORMS FOR NATIONAL AND STATE BANKS.

JNO. M. MILLER, JR., *Chairman*.

J. FLETCHER FARRELL,

CHAS. W. REICKS.

Report of Committee on Express Companies and Money Orders.

To the Members of the American Bankers' Association:

Gentlemen:

This committee was appointed by the Association in 1906 in the belief that the Express Companies were absorbing the business of the banks by using their facilities as carriers with gross unfairness to the banks. Our earliest activities were engaged in the presentation to the Interstate Commerce Commission of these unfair and discriminatory practices of the express companies. We call the attention of the Association to the fact that the Commission is now conducting the investigation of the express companies that we asked it to undertake in the beginning, and which it could not then carry out for lack of power and of funds. This investigation is serious and purposeful, and in view of the evidence presented to the Commission by this Committee, we believe that the Commission must require the carriers to discontinue their banking practice, which result will be an enormous victory for the Association.

OUR TRAVELERS' CHEQUE.

The Travelers' Cheque system has shown a steady growth ever since its establishment by the American Bankers' Association. This growth has covered every phase of the system, including the number of banks selling the Association cheques, the number of cheques sold to tourists, number of cheques redeemed, and the number of countries where banks are selling the cheques.

The amount of advertising matter distributed has also increased tremendously. During the year 1911 about 1,000,000 pieces of advertising matter were sent to bankers at their request.

The cheques are giving the best possible service. Those called upon to accept cheques from tourists have, in many cases, expressed their great satisfaction with the system, as the use of one form by thousands of banks has greatly simplified the difficulties ordinarily surrounding the acceptance of miscellaneous cheques.

Cheques which have originally been cashed for travelers have come back for redemption from all parts of the world, and there is not a single country visited by Americans where the cheques are not well known.

At the present time prominent banks in Canada, Europe, Asia, Mexico and South America are selling the cheques of the American Bankers' Association. The sale of these cheques in foreign countries has been of great value to the system, as it has made the cheques known in many places where Americans do not commonly travel, so that when they do happen to visit such points, they find the Association cheques already favorably known.

The Money Order Committee has over 70,000 hotels on its list, and is increasing it as rapidly as the names of other institutions are obtainable, whose business is partly or wholly with transients.

Since the establishment of the system three years ago there have been printed for bankers, who desired to sell them, 1,917,890 cheques, bearing the name of the American Bankers' Association. Cheques which had been sold to tourists and had been cashed for them at different points throughout the world showed an increase the second year over the first of 129%, and in the first ten months of the third year, 1911, 38% on top of the previous increase. This, too, in spite of the fact that it has been estimated that the falling off in travel in 1911 amounted to at least 20% of that of 1910. Considerably over twenty-one million dollars in these cheques have been cashed for tourists.

As travel changes and new conditions are met, the system is constantly kept up to date, and nothing is left undone to add to its perfection.

The system of protection is so perfect that many crooks who have found cheques have put them in mail boxes, in order to get rid of them. In one case a detective stood at the door of a bank while a crook, who had some Association cheques, went in to endeavor to get them cashed, and arrested him as he came out. In another case a crook who endeavored to cash some of the cheques fraudulently, was sent to jail for two years, inside of ten days after he had attempted to use them. These and other instances serve to show the thorough protection that is afforded tourists carrying Association cheques, and the same protection will follow any other paper the Association may decide to issue.

It can safely be said, without fear of contradiction, that the

Travelers' Cheque system of the American Bankers' Association has proved to be most beneficial to bankers selling the cheques, to tourists carrying them, and to all those called upon to cash them, and that they have in every way fulfilled the requirements of a perfect Travelers' Cheque.

Your Committee congratulates the members of the American Bankers' Association upon having made a successful start toward recovery of banking business that had been lost to bankers and taken over by carriers of merchandise.

MONEY ORDERS.

The subject of a domestic and foreign money order has been a matter of great interest to Bankers' Associations for the past ten years. Many State Associations adopted money order systems which failed to solve the problem, because the credit of the order could only be locally known.

Under authority of the American Bankers' Association a domestic money order was established by this Association in 1904, by which the American Surety Co. of New York entered into a contract with individual banks to guarantee the final payment of the orders furnished by it. Some 800 banks in the United States availed themselves of this system, but owing to the prejudice of bankers to having a Surety Company guarantee a money order or draft sold by them, this system did not meet with the success which it probably deserved. Owing to the demand from our members for a money order system, which would meet the requirements of both the banks and the public, your Committee was instructed a year ago to present to the banks, and report results to this Convention, a plan by means of which the money order business of the country, amounting to some \$700,000,000 annually, could be done by the banks. The Committee has carried out these instructions, and has presented to the banks the following plan for their consideration, namely:

First—The money order shall be known as the American Bankers' Association money order.

Second—This money order shall combine both the domestic and foreign money order features.

Third—The money order shall have all the elements of strength and protection which have made the Travelers' Cheque of the Association the safest piece of bank exchange in circulation.

Fourth—It shall enable the local banker to issue, over his own name, exchange available throughout the world enabling him to grant to his customer the widest possible service.

Some three thousand banks have definitely agreed to use such a system, and as further requests are still coming in daily for its establishment, the success of the plan is assured.

It has been endorsed by the Executive Council, and your Committee will endeavor to put it into operation at the earliest possible moment.

Report of the Federal Legislative Committee.

The Federal Legislative Committee has during the past year rendered assistance when called upon to do so to the other committees of the Association upon any Legislative matters pending before Congress.

We have ever been watchful of the best interests of the memberships and have especially kept in close touch at all times with all laws looking toward a change in our financial and monetary system.

Your committee has taken an active interest in all proposed provisions for Banking Legislation, and we have aided in securing the recognition of State Banking Institution by the Monetary Commission of Congress as set out in their amended plan.

Your committee has always believed that National Banks should be given broader powers to compete with other banking institutions, and especially that there should be a definite provision of law permitting the establishment of savings departments in such institutions in which loans on real estate would be made possible to some extent. We believe every member should carefully examine the provisions made in the proposed plan for monetary revision covering this feature, as it seems to us to be a most important one.

Your committee believes that there should be embodied in any new law for the revision of our monetary system such features as will permit every organized banking institution in the country to become a member, and we have always insisted that no organized bank should be discriminated against. In harmony with the position taken by your Currency Commission, and realizing the great importance of securing the co-operation of the bankers of the country, we have not thought it desirable to urge upon the members of Congress any particular features in connection with the proposed change in our monetary system, but have felt that it was desirable to await the final plan to be submitted by the Monetary Commission, at which time this commission will be very glad to assist in the accomplishments of the desired results.

We believe that the time is no ripe for vigorous action, and if legislation is to be had, a vigorous campaign must be inaugurated. In previous years, this committee had an organization of representatives in each Congressional district who were willing to aid in this work.

From the information and statistics gathered by your Committee, it has also been demonstrated that there is lack of uniformity in the rates charged for bank insurance, and that some of the members of this Association are now paying from two to ten times more for burglary and fidelity insurance than the actual premium which should be charged if the business was properly regulated.

Your Committee would, therefore, recommend that it be instructed and empowered to take such steps as may be necessary either by negotiation with existing companies, or by a separate corporation, to place the business of writing burglary, fidelity and other insurance for members upon a more satisfactory basis, with the end in view of providing the members of this Association with valid and collectable bank insurance, at a reduced and reasonable rate.

If such steps are not taken at this time, the initiative will be taken by the State Bankers' Associations with the result that the insurance feature will be transferred from the National to organized State Associations to the consequent detriment of the National body. Your Committee believes that the best interests of this Association will be served by itself taking the initiative, and this must be now done, if at all.

The members of the Committee wish to thank the executive officers, the members of the Executive Council, the Vice-Presidents, and the members of the Association for the courtesies shown us. We also wish to thank the bankers that are not members of the Association, who have so promptly and cheerfully responded to our inquiries, and we hope that our efforts may prove of lasting benefit to the bankers of the United States.

Respectfully submitted,

JOHN L. HAMILTON
COL. F. H. FRIES
CALDWELL HARDY
W. P. MANLEY
GEORGE L. RAMSEY
C. Q. CHANDLER
C. E. BATCHELLER

Committee on Fidelity and Burglary Insurance.

FIDELITY BONDS.

	Rates paid per M by Members	Rates paid per M by Members	Rates paid per M by non Mbrs.	Rates paid per M by non Mbrs.
	1902.	1911.	1902.	1911.
Alabama	\$3.84	\$2.78	\$3.56	\$2.82
Arizona	3.81	3.09	....	....
Arkansas	2.54	2.76	3.66	2.65
California	4.30	3.24	3.18	3.85
Colorado	4.32	3.26	5.00	3.55
Connecticut	3.26	3.05	3.47	2.87
Delaware	3.59	3.07	3.55	2.81
District of Columbia	4.09	2.93	....	....
Florida	3.08	3.01	5.00	2.95
Georgia	3.16	2.91	3.07	4.12
Idaho	3.50	3.52	2.50	3.21
Illinois	3.31	2.89	4.08	2.58
Indiana	3.34	3.08	3.38	2.99
Iowa	3.37	2.65	3.71	1.18
Kansas	2.87	2.27	3.44	2.21
Kentucky	3.18	2.68	3.94	2.40
Louisiana	4.26	3.23	4.01	1.47
Maine	3.70	2.81	3.83	2.79
Maryland	4.03	3.71	3.15	2.53
Massachusetts	3.62	3.10	3.34	2.99
Michigan	3.28	3.17	3.66	2.98
Minnesota	2.95	2.61	3.52	2.45
Mississippi	3.37	2.82	3.62	2.95
Missouri	1.99	2.80	2.88	3.44
Montana	2.95	3.15	3.16	4.01
Nebraska	4.41	3.08	3.93	1.99
Nevada .....	....	3.13	....	2.50
New Hampshire.....	3.47	2.93	3.19	1.53
New Jersey.....	3.13	2.92	3.11	2.79
New Mexico.....	3.11	4.07	4.00	3.00
New York	3.45	3.18	3.38	2.47
North Carolina.....	3.24	2.98	3.89	3.06
North Dakota.....	3.52	2.75	4.32	2.44
Ohio	3.29	4.67	3.95	2.43
Oklahoma	3.38	3.28	4.03	3.95
Oregon	3.67	3.10	3.00	3.33
Pennsylvania	3.54	4.06	2.44	2.37
Rhode Island	3.92	3.12	3.85	2.95
South Carolina.....	4.71	2.86	4.01	3.09
South Dakota.....	3.14	3.11	5.06	2.94
Tennessee	3.50	2.70	2.99	2.62
Texas	3.29	2.46	3.40	2.16
Utah	3.17	3.17	....	3.00
Vermont	2.92	2.70	2.87	2.80
Virginia	2.88	2.69	3.24	3.19
Washington	4.17	3.11	2.97	3.94
West Virginia.....	3.13	3.14	2.91	3.15
Wisconsin	3.56	3.09	3.88	2.64
Wyoming	2.50	4.08	3.50	2.74

BURGLARY INSURANCE.

Comparison showing the variation per thousand and the average rates paid by members and non-members.

	Variation of rates A. B. A. 1911.	Variation of rates non-mb. 1911.	Rates A. B. A. '11.	Non mb. 1911.
Alabama	\$ 83	\$7.00	\$1.00	\$6.00
Arizona	2.00	11.00	....	....
Arkansas	2.00	7.82	1.12	8.00
California	2.00	25.00	.37	12.35
Colorado .....	.80	15.00	1.50	10.00
Connecticut .....	.97	8.40	2.64	9.00
Delaware	1.78	6.18	1.83	6.00
Dist. of Columbia.....	3.25	7.50	....	....
Florida	1.20	13.00	2.00	15.00
Georgia .....	.65	12.00	1.00	10.00
Idaho	1.00	10.40	1.15	22.00
Illinois .....	.62	13.00	2.50	10.00
Indiana	1.00	13.00	.50	10.00
Iowa .....	.66	10.92	1.50	20.00
Kansas .....	.65	12.00	.75	22.50
Kentucky	1.00	7.75	1.00	18.00
Louisiana .....	.76	12.50	1.44	3.00
Maine .....	.68	4.00	1.41	6.46
Maryland .....	.93	13.98	1.00	8.33
Massachusetts .....	.62	17.50	1.28	6.00
Michigan .....	.50	10.00	1.00	25.00
Minnesota .....	.72	10.00	.95	12.00
Mississippi .....	.66	10.00	1.50	13.33
Missouri .....	.95	12.28	.60	11.00
Montana .....	.87	10.50	1.39	13.00
Nebraska	1.00	....	.39	30.20
Nevada .....	.63	7.54	....	....
New Hampshire.....	.75	4.25	.85	5.00
New Jersey.....	.54	10.00	1.50	8.00
New Mexico	1.17	9.55	1.80	5.00
New York .....	.58	13.66	.85	10.66
North Carolina .....	.88	7.00	1.30	10.00
North Dakota .....	.65	10.00	1.20	24.97
Ohio .....	.67	11.00	.40	20.26
Oklahoma .....	.88	18.00	.33	23.57
Oregon .....	.90	10.00	1.50	4.75
Pennsylvania .....	.57	19.00	.50	19.00
Rhode Island.....	1.40	10.00	....	....
South Carolina .....	.40	14.70	1.50	7.00
South Dakota.....	1.00	13.50	.86	33.00
Tennessee .....	.50	9.00	.22	8.00
Texas .....	.64	12.28	.50	11.00
Utah	1.50	9.23	3.00	10.50
Vermont .....	.90	8.00	2.50	10.00
Virginia .....	.66	14.33	1.00	9.67
Washington .....	.72	10.00	1.66	9.50
West Virginia .....	.60	11.00	1.20	26.40
Wisconsin .....	.60	15.00	1.00	10.00
Wyoming .....	.84	10.50	4.00	10.90

Report of Committee on Forms for National and State Banks.

To the Chairman and Executive Council, The American Bankers' Association, New Orleans, Louisiana.

New York City, October 24, 1911.

Gentlemen:

Your Committee on Forms for National and State Banks, appointed by resolution of your Council at Atlantic City, May 4th, 1910, begs leave to report that its work is not yet completed.

A mass of work has been accomplished at considerable time and labor by your Committee and its assistants, but, owing to the fact that the three members of the Committee live in widely separated localities—Chicago, New York and Richmond—more or less delay and difficulty has been experienced in getting together at frequent intervals. A great part of the work, however, has been completed, and it is confidently anticipated that at the spring meeting of your Council a final report will be presented.

At Los Angeles the Executive Council appropriated \$5,000 to carry on this work, with the authority vested in your executive officers to increase in their judgment the appropriation by not exceeding \$3,000.

Your Committee has expended from the appropriation referred to for actual expenses in attending meetings, postage, and so forth, \$528.26. A request has been made to your Finance Committee to recommend for the coming year an appropriation of \$4,500, with authority vested in the executive officers to increase it in their judgment by not exceeding \$3,000.

It is the opinion of your Committee that the books should be sold at a price that will reimburse the Association for the expenditure, and to insure this orders will be taken for the books

in advance of its completion, so that approximately correct estimates may be made of costs and receipts. Some idea of the magnitude of the work necessary can be imagined when it is stated that between four thousand and five thousand forms must be examined and considered carefully, and properly printed and so forth. Respectfully submitted,

COMMITTEE ON FORMS FOR NATIONAL AND STATE BANKS.

JNO. M. MILLER, JR., *Chairman*.
J. FLETCHER FARRELL,
CHAS. W. REICKS.

Report of Committee on Express Companies and Money Orders.

To the Members of the American Bankers' Association:

Gentlemen:

This committee was appointed by the Association in 1906 in the belief that the Express Companies were absorbing the business of the banks by using their facilities as carriers with gross unfairness to the banks. Our earliest activities were engaged in the presentation to the Interstate Commerce Commission of these unfair and discriminatory practices of the express companies. We call the attention of the Association to the fact that the Commission is now conducting the investigation of the express companies that we asked it to undertake in the beginning, and which it could not then carry out for lack of power and of funds. This investigation is serious and purposeful, and in view of the evidence presented to the Commission by this Committee, we believe that the Commission must require the carriers to discontinue their banking practice, which result will be an enormous victory for the Association.

OUR TRAVELERS' CHEQUE.

The Travelers' Cheque system has shown a steady growth ever since its establishment by the American Bankers' Association. This growth has covered every phase of the system, including the number of banks selling the Association cheques, the number of cheques sold to tourists, number of cheques redeemed, and the number of countries where banks are selling the cheques.

The amount of advertising matter distributed has also increased tremendously. During the year 1911 about 1,000,000 pieces of advertising matter were sent to bankers at their request.

The cheques are giving the best possible service. Those called upon to accept cheques from tourists have, in many cases, expressed their great satisfaction with the system, as the use of one form by thousands of banks has greatly simplified the difficulties ordinarily surrounding the acceptance of miscellaneous cheques.

Cheques which have originally been cashed for travelers have come back for redemption from all parts of the world, and there is not a single country visited by Americans where the cheques are not well known.

At the present time prominent banks in Canada, Europe, Asia, Mexico and South America are selling the cheques of the American Bankers' Association. The sale of these cheques in foreign countries has been of great value to the system, as it has made the cheques, known in many places where Americans do not commonly travel, so that when they do happen to visit such points, they find the Association cheques already favorably known.

The Money Order Committee has over 70,000 hotels on its list, and is increasing it as rapidly as the names of other institutions are obtainable, whose business is partly or wholly with transients.

Since the establishment of the system three years ago there have been printed for bankers, who desired to sell them, 1,917,890 cheques, bearing the name of the American Bankers' Association. Cheques which had been sold to tourists and had been cashed for them at different points throughout the world showed an increase the second year over the first of 129%, and in the first ten months of the third year, 1911, 38% on top of the previous increase. This, too, in spite of the fact that it has been estimated that the falling off in travel in 1911 amounted to at least 20% of that of 1910. Considerably over twenty-one million dollars in these cheques have been cashed for tourists.

As travel changes and new conditions are met, the system is constantly kept up to date, and nothing is left undone to add to its perfection.

The system of protection is so perfect that many crooks who have found cheques have put them in mail boxes, in order to get rid of them. In one case a detective stood at the door of a bank while a crook, who had some Association cheques, went in to endeavor to get them cashed, and arrested him as he came out. In another case a crook who endeavored to cash some of the cheques fraudulently, was sent to jail for two years, inside of ten days after he had attempted to use them. These and other instances serve to show the thorough protection that is afforded tourists carrying Association cheques, and the same protection will follow any other paper the Association may decide to issue.

It can safely be said, without fear of contradiction, that the

Travelers' Cheque system of the American Bankers' Association has proved to be most beneficial to bankers selling the cheques, to tourists carrying them, and to all those called upon to cash them, and that they have in every way fulfilled the requirements of a perfect Travelers' Cheque.

Your Committee congratulates the members of the American Bankers' Association upon having made a successful start toward recovery of banking business that had been lost to bankers and taken over by carriers of merchandise.

MONEY ORDERS.

The subject of a domestic and foreign money order has been a matter of great interest to Bankers' Associations for the past ten years. Many State Associations adopted money order systems which failed to solve the problem, because the credit of the order could only be locally known.

Under authority of the American Bankers' Association a domestic money order was established by this Association in 1904, by which the American Surety Co. of New York entered into a contract with individual banks to guarantee the final payment of the orders furnished by it. Some 800 banks in the United States availed themselves of this system, but owing to the prejudice of bankers to having a Surety Company guarantee a money order or draft sold by them, this system did not meet with the success which it probably deserved. Owing to the demand from our members for a money order system, which would meet the requirements of both the banks and the public, your Committee was instructed a year ago to present to the banks, and report results to this Convention, a plan by means of which the money order business of the country, amounting to some \$700,000,000 annually, could be done by the banks. The Committee has carried out these instructions, and has presented to the banks the following plan for their consideration, namely:

First—The money order shall be known as the American Bankers' Association money order.

Second—This money order shall combine both the domestic and foreign money order features.

Third—The money order shall have all the elements of strength and protection which have made the Travelers' Cheque of the Association the safest piece of bank exchange in circulation.

Fourth—It shall enable the local banker to issue, over his own name, exchange available throughout the world enabling him to grant to his customer the widest possible service.

Some three thousand banks have definitely agreed to use such a system, and as further requests are still coming in daily for its establishment, the success of the plan is assured.

It has been endorsed by the Executive Council, and your Committee will endeavor to put it into operation at the earliest possible moment.

Report of the Federal Legislative Committee.

The Federal Legislative Committee has during the past year rendered assistance when called upon to do so to the other committees of the Association upon any Legislative matters pending before Congress.

We have ever been watchful of the best interests of the memberships and have especially kept in close touch at all times with all laws looking toward a change in our financial and monetary system.

Your committee has taken an active interest in all proposed provisions for Banking Legislation, and we have aided in securing the recognition of State Banking Institution by the Monetary Commission of Congress as set out in their amended plan.

Your committee has always believed that National Banks should be given broader powers to compete with other banking institutions, and especially that there should be a definite provision of law permitting the establishment of savings departments in such institutions in which loans on real estate would be made possible to some extent. We believe every member should carefully examine the provisions made in the proposed plan for monetary revision covering this feature, as it seems to us to be a most important one.

Your committee believes that there should be embodied in any new law for the revision of our monetary system such features as will permit every organized banking institution in the country to become a member, and we have always insisted that no organized bank should be discriminated against. In harmony with the position taken by your Currency Commission, and realizing the great importance of securing the co-operation of the bankers of the country, we have not thought it desirable to urge upon the members of Congress any particular features in connection with the proposed change in our monetary system, but have felt that it was desirable to await the final plan to be submitted by the Monetary Commission, at which time this commission will be very glad to assist in the accomplishments of the desired results.

We believe that the time is no ripe for vigorous action, and if legislation is to be had, a vigorous campaign must be inaugurated. In previous years, this committee had an organization of representatives in each Congressional district who were willing to aid in this work.

We feel that it will be necessary for the Association to organize for this work and have no doubt if properly presented, the Association can secure the co-operation of its membership, and we hope that you will all feel that this coming campaign is of personal interest to each of you, and not hesitate to use your influence to the fullest extent.

Realizing that it is not so much a question of what the bankers of the country may desire in connection with monetary revision, but it is more a question of what they may be able to secure. We believe that any committee having in charge the work of organization and of the promotion of legislation in Congress should be of such a representative character and should be empowered to accept such reasonable changes that may be necessary to secure the passage of some law which will correct our present financial evils.

It has been claimed by many that it will be impossible to secure any legislation during the short term of Congress. This same objection was raised a few years ago when your committee had charge of the bill before Congress looking towards the securing of greater loaning privileges to National Banks. Yet, with the co-operation of the membership of the Association, we were able to secure the passage of this bill.

This proposed financial legislation being non-partisan in character, is equally beneficial to all political interests; hence, we do not believe that there will be any serious objections raised to the measure. The bankers of the country must assume the responsibility of passing a proper bill, whether they wish to do so or not, and, upon the energy which they exercise in attempting to bring this about will depend the ultimate outcome of such legislation.

We earnestly urge the hearty co-operation of the membership in securing action by Congress at its next session.

Report of the Currency Commission.

To the American Bankers' Association:

Gentlemen: Your Currency Commission along with the officers of your Association were called into conference with the National Monetary Commission at Washington on Tuesday, March 28, 1911, to consider Senator Aldrich's suggestion for Monetary legislation.

At a meeting of the commission held immediately before the conference it was unanimously agreed that the plan suggested by Senator Aldrich is founded on correct principles, that it is ingeniously adapted to present conditions, that it will correct existing defects in our national banking system and that with further developments in some of its details it can be made thoroughly practicable. We then went carefully over the plan paragraph by paragraph recording such suggestions as occurred to us and the conclusions we arrived at. Subsequently we discussed with the National Monetary Commission every feature of the plan giving our reasons for the suggestions made and the conclusions arrived at. Our suggestions were well received by Senator Aldrich and the other members of the National Monetary Commission. Later our report was published in pamphlet form and circulated among the members of this Association. Our recommendations have since been very generally adopted in the revision of the plan recently published by Senator Aldrich.

On May 2, 1911, we reported to the Executive Council in their meeting in Nashville, and submitted to them Senator Aldrich's plan as revised by us. After receiving the report, the Executive Council, by resolution, unanimously approved the plan thus revised. As a result of the work we thus initiated, followed up by the individual efforts of the members of the commission and of Mr. Farnsworth, your General Secretary, out of forty-six State Bankers' Associations twenty-nine have passed resolutions at their annual conventions, endorsing Senator Aldrich's plan as revised by us, while, of the remaining seventeen State associations, two had held their conventions before the plan was brought out, two have not yet held their convention, and at the conventions of the other thirteen the subject was not considered.

We have, therefore, as will be seen, been keeping in close touch with this proposed monetary legislation, and we believe it will be in the interest of the American Bankers' Association that its officers, together with its Currency Commission, should continue to represent it in future conferences with the National Monetary Commission, with committees of Congress and otherwise, to the end that a sound banking system may be established and unsound monetary legislation avoided.

JAS. B. FORGAN, Vice-Chairman.

Detailed Report of Proceedings.

THIRTY-SEVENTH ANNUAL CONVENTION HELD AT NEW ORLEANS, NOV. 21 TO NOV. 24, 1911.

FIRST DAY'S PROCEEDINGS.

MORNING SESSION.

Tuesday, November 21, 1911.

F. O. WATTS, President, presiding.

President Watts: Gentlemen, the 37th Annual Convention of the American Bankers' Association will now come to order.

The members of the Executive Council and the Vice-Presidents of the States are especially invited to occupy the seats on the stage, and we will pause a few minutes to have any of you in the audience come and take these seats.

Gentlemen, you will please stand while the invocation is pronounced by the Most Rev. James H. Blenk, Archbishop, Catholic Archdiocese of New Orleans.

PRAYER.

ARCHBISHOP BLENK: In the name of the Father, Son and Holy Ghost; amen. Oh, eternal God, creator of all things that exist; loving Father of the human race; author of nature as well as of race, we implore Thee to send forth in abundance Thy divine light into our minds that we may be in fruitful relation with facts and thus enlightened by the grasping as thoroughly as human minds may the great concerns about which we are to deliberate and which we are to discuss. We trust that invoking Thy help, Thy divine assistance we may reach conclusions that will benefit not only all the people of this land, but the people somehow of all lands; that the conclusions reached may in their great way, through their wisdom, contribute to the permanence and stability of our government and its well being in all the rules of life. Grant unselfish motives to all these Thy children gathered together to give glory to Thy name and to be under Thine eye and blessing to Thy people in providing for their best interests in a manner that touches all the resources and springs of life.

Oh, loving divine Father of our minds, purify also our hearts that as true sons we may give honor and glory to Thee and do our full duty in the matter that have gathered us together here. Amen.

President Watts: Gentlemen, we are to be welcomed to the State of Louisiana by the Chief Executive of this great commonwealth.

I had the pleasure last evening of listening to the Governor, and, using the language of the popular song, "There's something in his voice appeals to me," a voice mellowed by this sunshine of the South and made more musical by the murmurings of the Gulf upon which he was reared. The mere listening to that voice will make every banker feel immediately that he has a welcome and that he is at home among the citizens of Louisiana.

I take pleasure in presenting to you Governor Sanders. (Applause.)

Address of Welcome by Governor J. Y. Sanders.

Gentlemen of the American Bankers' Association:

It is seldom that I have had a duty that has carried with it more pleasure than that of accepting the kindly invitation of your Arrangements Committee to welcome you here today to what we deem the real gateway of the Panama Canal, the entrepot through which will flow the tremendous commerce of the years to come, after the opening of that work of the ages from Colon to Panama.

We believe that you are, to-day, upon the spot about which will center the greatest trade and financial development of the next two decades.

The banks of any nation, in connection with the national treasury, make up the heart, the veins and the arteries of the economic structure of the nation. They supply the life blood to enable the parts to do their work, to repair the wasted tissues, to heal the wounds, to keep the whole in perfect, competent and efficient condition.

No man who has kept even remotely in touch with the splendid work of the American Bankers' Association but knows that it has been vastly effective in bringing this circulation system of the American people to its present high point of effectiveness, and in striving to remedy these faults and flaws in the system which every thinking man knows exist.

We here in Louisiana want you to see the opportunities we believe and know exist on every hand. We want you to see that this region is a member of the economic body, which requires only more life-giving blood—capital—in order to render

it one of the most beneficial and effective to be found in the whole list of commonwealths.

Louisiana has never been swept away by any appeals to prejudice against men of means, largely because our men of means and our banks have nearly always been good citizens working for the good of the community, as a whole, and not seeking to take unfair advantage of those less fortunately established.

Louisiana has made splendid progress in her State banks alone, in which, at the close of business in December, 1908, there were \$68,270,258.78 on deposit. There were in December 1909, deposits, aggregating \$80,308,000, and in December 1910, deposits aggregating \$90,380,000. At the close of business in this year, despite the tremendous loss of the value of the cotton crop, the deposits will show, I am informed, a proportionate increase for the past twelve months.

In our national banks there was on deposit at the beginning of the current year alone \$54,000,000, and I am informed that, at the end of the current fiscal year, this total will show a handsome increase.

Thus it will be seen that we are adding to our own capital, proving our faith in our own resources by doing our utmost to turn them to use, proving the value of the resources by the increase in our own capital, which has resulted from their exploitation.

Yet, it is our wish that you gentlemen who represent the accumulated cash reserves of the greatest financial centers, nay, of the whole people of the United States, would see and understand the boundless openings for safe investment ready on every hand here in Louisiana. Hardly a day passes but what some school district does not vote school bonds. Hardly a month goes by but what some parish or municipality asks to capitalize some portion of its assured property in order to better equip itself to hasten that prosperity's arrival. Our school bonds, our drainage district bonds, our levee bonds, our municipal and parochial bonds, have found ready marketing, and I believe I am safe in saying that in no community has the confidence thus called upon been more completely justified than in ours.

The commonwealth itself is now upon the eve of refunding its entire State debt of \$11,108,300, which falls due on January 1, 1914, and our people, by constitutional amendment, have provided for the liquidation of this indebtedness, and our State Board of Liquidation is even now preparing to carry into effect the provisions of the enabling act passed by the Legislature to carry into effect the mandate of the people at the polls.

As our commercial and industrial horizon widens before us, and the opportunities for capital defined, safe and profitable investments are becoming more and more apparent. We hope that in the years to come New Orleans, by virtue of its strategic position of the great trade route of the Western Hemisphere, will be not only one of the great seaports of the world, but one of the great banking centers of the world as well. We believe that the time will come when along the hundred-mile front of our unsurpassed fresh water harbor will be lined the greatest shipping that sails the seas flying the American flag, representing the rejuvenated American merchant marine, standing for the investment of American capital and carrying the gospel of American commercial supremacy to every foreign land.

We believe that here in New Orleans will fittingly be established trading houses and through which the product of the American manufacturers, American mills, American forests and mines will be distributed to the markets of South America and the Orient.

British trade and the British merchant marine have enabled the banker, from his home in London, to sway the destinies of nations and to keep his native land pre-eminent in the parliament of the world through many generations.

Down the great Mississippi, and over the rails that line its banks on either side, should come the vastest tide of traffic that has ever moved from out the heart of the American continent, and through New Orleans it should pass to every port upon the seven seas.

Surely this is no idle dream when one remembers the tremendous changes wrought by the cutting of the Suez Canal. Surely it is fairly indicated by the building of the business empire which has sprung up around the Great Lakes by the cutting of the Saulte St. Marie.

We are not asking you to help us, we are asking you to join with us in realizing upon the most splendidly alluring future which has opened before the eyes of any community.

Gentlemen of the American Bankers' Association, I, as Governor of all the people of this State, welcomed you to Louisiana; Louisiana, the great State that was added to the American Union some hundred years ago, out of which purchase has sprung some of the greatest commonwealths today upon the American continent. I welcome you to this State, the State of sunshine and flowers; the State of mocking birds; a State on every hand where you see evidences of a civilization as old as any upon the American continent; a State where you see evidences of progress as great as can be found in any community in the land.

Gentlemen of the American Bankers' Association, you are welcome to our State, welcome to our hearts and our homes. The latch hangs on the outside; we are glad that you are with us, glad that you came down to enjoy our hospitality; glad to know that so many of the leading bankers of America are making their home, if but for a day or two, in this the Capitol of the Southland. You are welcome, thrice welcome to the State of Louisiana. (Loud applause.)

President Watts: Gentlemen of the Convention. Under our political system of government, the police control is placed in the municipality, and I have the idea that it will be most pleasing to us to hear from the Mayor of the metropolis of the South and let him tell us that we are welcome and let him give us other assurances which we may need. I take pleasure in presenting to you Mayor Behrmann. (Applause.)

Address of Welcome by Mayor Martin Behrmann.

Mr. President, and Gentlemen of the American Bankers' Association: I want to assure you at the outset, and I want to assure the President of the Association, that the police have strict orders not to arrest any bankers. (Laughter.)

Gentlemen: It gives me a peculiar satisfaction to respond to your cordial invitation to be with you on this occasion. Indeed, I am deeply sensible of the honor of addressing so distinguished a body as the Bankers of America; and it is with a feeling of genuine pleasure that, as chief executive of this city, I extend to one and all of you a right royal welcome. That you have on two previous occasions visited New Orleans as a body is to be regarded not only as a tribute to its growing importance as a great commercial center, but as a manifestation of your approval of what I might term our social ethics—is an indorsement of our hospitality, and a compliment, coming as it does from the disciples of Luculus himself, that cannot be too highly appreciated; nor is it to be misunderstood.

The banker represents the most vital force in commerce; the bank is the synonym of progress, and banking is its highest development. Commerce or trade, as it is generally styled, is as universal as the human race; as ancient as the first barter when two men get what both wanted, by giving what neither needed, and each gained, while neither lost. In our day trade has penetrated every phase of civilized life. Not for protection against violence, but for trade do men in these days come together in cities and rear those splendid modern superstructures of social order which are the admiration of the world. Trade summons from the quarry the choicest and most enduring material with which it rears its handsome and capacious homes; and in this country are seen edifices whose stately beauty far surpass the baronial castles of the olden time; salesrooms, exchanges and banking quarters more beautiful and attractive than ducal palaces. On the continent of Europe today the banker vies in power with royalty itself. As a matter of fact, he wields a greater influence than royalty is capable of wielding, and his fiat is for peace. He is a diplomat par excellence—an arbiter, comparable to whom the Talleyrands and the Machiavellis of history are but as the voice of an infant crying in the night. In our own country the banker has no superior in any walk of life. He must obviously be thoroughly enlightened upon a great variety of subjects, and his information is invariably accurate and to the point. He is possessed of an intimate knowledge of past and contemporary history; political, social and financial questions are alike familiar to him, the fluctuations of the market, the ratings of communities and governments, etc.—in fact, there is no subject upon which the mature judgment of the banker is not of value—nay, essential in most instances.

And right here, while it is not my purpose to talk shop, on an occasion of this kind I cannot resist the temptation of saying a few words as an expression of my appreciation of the uniform and kindly co-operation and encouragement of your brethren of this city towards the administration, which I have the honor to represent. More particularly is this true in relation to the alacrity with which our local institutions have recognized and placed the seal of their confidence and approval upon what is known as the public improvement certificates, an evidence of the indebtedness, the issue of which was authorized by Act 56 of the Legislature of 1908. Through the successful operations of this act, the City of New Orleans has been enabled to effect much in the way of permanent public improvements that otherwise would have been difficult, if not practically impossible of accomplishment at this time. While those certificates have proved a very great convenience to the contractor, they have demonstrated more emphatically than anything I can say, the

solid foundation upon which the city's credit reposes and the confidence of eminent financiers in her methods. It affords me so much gratification to say in this connection that there has already been provided for and paid of these certificates the sum of \$780,500, which includes the total issue of 1909 and 1910, and the further sum of \$158,300 of the issue of 1911, which I believe, you gentlemen will admit indicates a healthy financial status, as well as the ability of the old town to meet its outstanding obligations cheerfully and promptly.

The improvements to which I allude and of which I now invite your personal inspection, consist of those works so necessary in the development and evolution of the modern city, such as splendidly paved streets, drainage, fire fighting apparatus, bridges, new schools, markets and various other public buildings. I should be pleased to have you interest yourselves in these matters that you may carry away with you at your departure from here the knowledge that New Orleans has not been lagging nor wanting in a proper spirit of enterprise since your visit in 1902, but that she has accomplished much with the limited revenues at her command and is justly entitled to recognition as one of the great and progressive cities of the Union.

Before concluding my remarks, I would direct your attention to the matter of the exemption of mortgages from taxation in this State. At the recent session of the General Assembly an act to amend the organic law of Louisiana to the extent of authorizing these exemptions was passed without opposition, and subsequently the amendment itself was adopted by a practically unanimous vote of the people, indicating just how the people feel upon this subject and with what unanimity they favor this policy of exemption. It is an inducement offered the stranger who is desirous of engaging in business here, increases his facilities in that direction, and encourages and protects financial investment. It is an advantage which must necessarily redound to the benefit of capital, and the people of this state and city are willing to concede this advantage as an evidence of good faith on their part toward those who are willing to interest themselves in the growth and prosperity of the commonwealth.

I would urge also that you avail yourself of the opportunity afforded by this visit for an inspection of our new sewerage and water systems, both of which are now in successful operation, and which have been completed at an expenditure of many millions, since you were last here. Those splendid utilities are reputed by experts to represent the very highest development in efficiency and modern construction in this country in their respective lines, and I am anxious that you should see them.

I again bid you welcome. I trust that your deliberations may prove both interesting and instructive, as I am sure they will, and that this your third visit to the Crescent City may abide with each and all of you in after years as a pleasant memory.

President Watts: This is the third time in the history of the Association when we have been guests of the City of New Orleans. Upon our second visit we were welcomed by a man then President of the Clearing House Association. There could be no greater honor to him and no more pleasing compliment to us than to be again welcomed by the same man, still the President of the New Orleans Clearing House Association, Mr. Walmsley, and I take pleasure in presenting him to you.

Address of Welcome of R. M. Walmsley, President of the New Orleans Clearing House.

Mr. President and Members of the American Bankers' Association:

We are greatly honored by your presence, and the associated banks of this city tender you their cordial and sincere greetings.

As in politics and in the general business world, so in banking circles, new questions arise, and your Association is called upon to deal with them.

You have before you at this time an extremely interesting situation, not only in banking, but in many other respects. We are face to face with many economic questions demanding change or correction. Adjustments and readjustments are in progress.

A noted writer once said that "Change is the mistress of all things, therefore he that hopeth is wise and he that despaireth is a fool." This is a suggestive thought.

The basic or fundamental conditions are good and justify optimistic views. We will therefore hope for the best and go forward.

We appreciate your acceptance of the invitation tendered you by the New Orleans Clearing House Association. Our earnest desire is to do everything we can to aid you in the discharge of your responsible duties, and to contribute to the best of our power to your pleasure and enjoyment.

Again we extend you a cordial welcome.

President Watts: Gentlemen, history is repeating itself again. The American Bar Association has selected as the man to respond to these excellent addresses of welcome one who stood upon the platform and represented the Association in the same capacity nine years ago; a man who is an ex-President of the American Bankers' Association, an ex-Governor of one of the greatest states in the Union; a man of whom it might be said, as the lover said of his sweetheart, that she is not too any-

thing. I present to you a well-balanced man, a man who has had honors heaped upon him, and yet in your company and in the company of every one a man who does not take himself too seriously. I take pleasure in presenting to you ex-Governor Myron T. Herrick, of Ohio. (Applause.)

Response to Addresses of Welcome. Myron T. Herrick, of Cleveland, Ohio.

Mr. President, Ladies and Gentlemen: On behalf of the American Bankers' Association, I thank you, Governor Sanders, Mayor Behrmann and President Walmsley, for your kind words to us. Away up in our country we are not accustomed to such kind words, and I noticed the eyes of the bankers light up when they heard your pleasant phrases and when you told them such nice things about themselves that they really believed them. (Laughter and applause.) We are accustomed, up in our country, to have people in politics talk about putting us in jail. So you can appreciate how good it makes us feel if you say these nice things about us. Mark Twain once said that he always thought he would like to be a governor, because all the governor had to do was to just go down and govern. (Laughter.)

It is very evident that the Governor of Louisiana is doing something else, and it was very interesting to me to hear a man who is in politics and who hopes, perhaps, as I hope he will, go higher, because we need men like him in the United States Senate, to hear him talk seriously about the problems of the future and the development of his country, of preserving the business in trests of the country. Then the Mayor, who is enthusiastic about the progress of his city, and I must say that in the nine years since my last visit here—my first visit having been thirty years ago—I believe your development has come in the last nine years. Your Mayor speaks of building further this great city, and he recognizes its importance and its relation to this great continent. That is interesting and refreshing.

When I was here nine years ago, the bankers were invited to look into the merits of the gin flz, and the celebrated New Orleans cocktail. Now, however, the Mayor invites you to inspect the water works (laughter) and look into the sewer system. Perhaps, at this time, as we are engaged in more serious matters in these conventions than we were in the olden days, that you had better take the Mayor's advice. He spoke of the castles and the magnificent banking houses of Europe, and I was thinking what a man said to me abroad this year. Some one had the temerity to say to him when he spoke of the abodes of the Rhine, that we have in this country the Hudson River, which is quite as beautiful, but he replied, "You have not the old baronial castles that we have on the Rhine; we have the robber baron castles." "Oh, yes," replied the American, "but we have the modern robber baron castles on the Hudson. (Laughter.)

I was also interested in what your Mayor said about relieving mortgages of taxation, if I may be permitted to say just a word on that subject. You realize that is a subject that is coming to the front very fast, and one which will occupy the attention of bankers as one of the great economic questions of the day, almost as important as the solution of the currency question. And this suggestion which the Mayor raises here is one that may bear directly upon it, that is, removing taxation from mortgages. And, furthermore, that with the attention of the people of this country turning once more to the development of the land as it has not done for a century, the matter of creating a wider market for the financing of the farm is coming to the front. If I may be permitted just two or three sentences which may bring it home to you, the great development of France and of Germany in the line of their agricultural interests began precisely at the time when by a system of legislation and governmental inspection and oversight, they were able to make a bond based upon a farm mortgage as wide in its character as a municipal security. There began the great agricultural development of those countries.

It is not the place now to speak at length on any subject except responding to the hospitality which has been so beautifully and elegantly expressed by these gentlemen. We appreciate, I am sure, their cordiality. I think there is no place in America today that is so interesting to the people engaged in finances as the South. The spirit of progress, and at the same time the conservatism which bears all the imprints of a new country, because it is essentially a new country, with a reincarnation, with a spirit enthused into its citizenship which is to be an example for all the rest of the American people, and of course it cannot help but interest American bankers. We come here because we like your cordiality; because we are interested in you and because we are proud that a part of this nation is showing such a fidelity and is doing such noble work in the upward and onward evolution of our land. For the bankers, Governor, and your Honor the Mayor and Mr. Walmsley, I but feebly express our appreciation of your hospitalities and your most cordial welcome. (Applause.)

President Watts: Gentlemen, unless objection is made the convention will consider the published order of business as being the order of business for this convention. There being no objection, it is so ordered.

In accordance with the order of business and the custom of the Association, it becomes my duty to submit to you now my Annual Address as President.

Annual Address of the President, F. O. Watts.

To the Thirty-Seventh Annual Convention of the American Bankers' Association.

Gentlemen: The happenings during the term since the last convention of this Association have been most important to the whole country and of special interest to bankers. Whatever is of great import to the country should be of the greatest interest to every banker, for no citizens are more interested in the prosperity and growth of the community or the nation than those owning the financial institutions. The bankers must feel this interest, and yet its outward evidence is lacking at times because our activities are too often either misunderstood or purposely misrepresented. Therefore the address of the President of your Association will pass the many questions of public policy which have made the year a notable one in business, politics and judicial construction, and deal only with the routine work of the Association and the one public question on which the banker is an expert and which can only be solved by his serious and constant interest. Those actively engaged in the affairs of this Association should adopt all reasonable methods of stirring up general interest in monetary reform and work unceasingly towards having individual preference and prejudices laid aside when considering proposals born of experience, good principle and the evolution of our business.

MEMBERSHIP.

When the Association met in New Orleans nine years ago the membership was 6,354, while at this, the thirty-seventh annual convention, the membership on November 1st was 12,232. These figures show a practical doubling in membership, and the accomplishment and promise are fully in keeping with the numerical increase. Of this increase \$27 has been in the period since your last convention.

THE ADMINISTRATIVE COMMITTEE.

By a change in the constitution at the Los Angeles Convention, the management of the affairs of the Association in the interim between meetings of the Executive Council was put upon an Administrative Committee composed of the President, First Vice-President and Chairman of the Executive Council. The wisdom of this creation appears when it is considered that the responsibility and activities hitherto upon the President are divided and under the well-founded and sensible custom of the Association only one new member comes on each year, so that the majority are thoroughly conversant with the affairs under control. This Committee encouraged the idea of having some officer of the Association visit the several State associations, and to this policy is attributed much of our success and growth during the year. The officers, including the President, First Vice-President, Chairman of Executive Council, General Secretary, Treasurer and General Counsel, visited twenty-four State associations and public gatherings of especial importance to this Association.

THE GENERAL SECRETARY.

While the work and responsibilities at the general offices have steadily increased, yet the organization perfected by the General Secretary has handled the affairs of the Association so well that the officers feel it a subject for congratulation to the Association and for commendation to the General Secretary, to whom the credit is due.

THE JOURNAL.

Among the increased duties and responsibilities of the General Secretary none were a greater charge on him than as publisher of the "Journal." To send out a creditable publication every month to twelve thousand banks and to ten thousand bank clerks, forming an army of probably thirty-five thousand discriminating, not to say critical, readers, and yet to confine the subject matter within the bounds of authority given the publisher by the Executive Council and above any just criticism from the publishers of the regular financial journals formed a task requiring rare discrimination, and yet that end was accomplished to the satisfaction of your Administrative Committee. The idea of the Government going into the banking or other business has been abhorrent to bankers, and yet it would be no worse in principle than for the Association to enter fields well covered by private enterprises and the present authorities in the Association have no such purpose. There appeared several months ago some captious criticism of the Association and some of its officers that seemed to justify the suspicion that it was prompted by personal prejudice or by the establishment of the "Journal." That publication has a distinct field, and in that field it will in no way injure any interest. It is not intended to supplant the live financial papers that have done so much for good banking any more than the employing of a General Counsel by this Association in any way changed the relation between the banker and his local counsel. While the Executive Council should have great care in making any extension of authority to the publisher of the "Journal," equal care should be exercised by the financial press in criticism of the Association, the "Journal" or the officer who recommended its publication.

GENERAL COUNSEL.

There is no Section, department or committee work that has not been materially aided by the General Counsel. The wisdom of the establishment of this office is more apparent every year, and those

charged with the duty could have made no other selection to fill the office so entirely satisfactory as the selection of the incumbent. In conjunction with the Law Committee, he has done much towards the passage of laws of benefit to our Association, the details of which will be covered in the report of that Committee. Such an officer, being a specialist in banking and commercial law, is of great value to those having no regular counsel, for they can be assured of accurate and prompt opinions on any such question submitted to him.

PROTECTIVE DEPARTMENT.

Because the nature of the service is of necessity secret, the committee handling this branch of work does not get from us the personal credit which is due. There is no regular work more important, and we have been most fortunate in having a Protective Committee fully up to the importance of the work. While my predecessor reported the change in the manner of operating this department, as well as the change in detective agencies to be most satisfactory, a year's time has further convinced your committees and officers of the wisdom of those changes. While we are now paying more we are getting more, and we are building records in our own offices under the supervision of our own capable manager that will be of incalculable value and that make us independent of any one agency. Another year removed from our change of agencies further proves our contention that it is not the police power or detective agency that is a terror to criminals, but it is the power behind them—in other words, it is the American Bankers' Association and its proven determination to apprehend that deters criminals from committing depredations on its members.

SPECIAL COMMITTEES.

The special committees of the Association have been doing the same effective work that has been characteristic in recent years. The Fidelity and Burglary Insurance Committee has perfected a special form of bond for burglary insurance which will be presented to the Executive Council for its ruling as to whether its use shall be confined to our members. Pending the final decision on this point, the Special and the Administrative Committee took the position that it should not be used by non-members. There is much of the work of the Association that inures to the good of all bankers, but same should properly be confined to those bearing the charges of organization. The Committee on Money Orders, having given to the Association a system of travelers' cheques which has been most satisfactory to every interest involved, and in which a short period has equaled any other, have now turned their attention to the question of money orders. Doubtless the activities of the committee will result in a solution of that question in a manner equally as satisfactory.

The work of the Bill of Lading Committee is of a character requiring persistence and determination. The members of that committee possess those qualities fully up to the requirements of the situation, and whatever the required time, neither the committee nor the Association behind them will falter until a fair and uniform bill of lading is adopted. This committee has had a special question to deal with during the year in which only a part of the Association had a direct interest and which was rather apart from the main work assigned to the committee. They endeavored to settle the question of validation of cotton bills in a spirit of compromise, and to meet a situation which many thought to be fraught with injury to all those interested in cotton from the planter to the spinner. The committee did not assume to act in other than an advisory capacity, for in the very nature of things any plan must be voluntary, and they would probably be glad to turn over the further handling of the matter to any committee representing those directly interested. My opinion is that there was no imminent danger of more than fleeting inconvenience and trifling loss to the South, for its staple will be used and payment will be made in the most economical and safest way. It is probable that Southern bankers, assisted by our ever-ready New York correspondents, have built up a dangerous and expensive system when we should have had foreign buyers establish credits in our principal markets and take title and make payment where the bartering is properly done. Tennessee tobacco is bought and taken in that way, and why not Southern cotton?

SECTIONS OF THE ASSOCIATION.

The five Sections of the Association have never done more effective work than during this year. The concentrating of the offices of the Sections in the general offices has tended to increase the harmonious working, but there is a question as to whether the best results to all will be attained short of a constitutional provision that the General Secretary shall be ex-officio secretary of all Sections and committees, and such as need special work shall be provided with an assistant secretary to be appointed by the Secretary on the approval of the Section or committee. In this way there could be no duplication, waste of time or money, lack of harmony or sensitiveness at imaginary usurpation of rights. This year has been marked by the absence of these evils, but why should a premium be constantly placed for the breaking out of such things in any future administration?

TRUST COMPANY SECTION.

The officials of this Section have shown great capacity and activity during the year and have done much for the trust interests and much that will result in general good. A notable occasion of the year in financial circles was the first annual dinner given by the Section in New York, which created a great impetus to the future growth and

influence of the Section. It was through conferences between special committees of the Trust Company Section and the Currency Commission of the American Bankers' Association that a satisfactory solution was found by which all State chartered institutions might become partakers in the benefits of the proposed Reserve Association. They enunciated the principle that shareholding in the Reserve Association should be a matter of standard and not of charter.

SAVINGS BANK SECTION.

During the year this Section suffered a great loss by the death of Mr. Wm. Hanhart, who had been the guiding spirit of the Section since its organization in 1902 at New Orleans. The other officers, however, have not allowed this loss to prevent the Section from doing its full part in the year's work. The matters in which they are now especially interested are the school savings banks, the celebration of the centennial of savings banks in 1916 and the question of segregation of savings deposits. The latter is yet to be a general issue before the Association, but it seems that its importance is not so vital that it cannot well await our attention until we have as our accomplishment the approval of some plan of monetary reform. In the meantime surely no harm can arise nor can there be just criticism in the appointment of a special committee to study the question, composed, as was our Currency Commission at the time of the appointment, of those of different views on the subject.

CLEARING HOUSE SECTION.

Neither this Section in other years nor any other Section this year has accomplished more than our Clearing House Section by completing the numerical system and pushing the idea of examiners for all clearing house cities. The thought and labor necessary to perfect the numerical system can hardly be appreciated by those unfamiliar with it, but the accomplishment and the hearty reception it received surely repay those who gave freely such thought and labor. As a result of the educational work of this Section, the cities of New York, Boston, Buffalo, Cincinnati, Chicago, Washington, San Francisco, Pittsburgh, St. Louis, Detroit, Milwaukee, Hartford, Cleveland, Columbus, Kansas City, New Orleans, Richmond, Denver, Des Moines, Seattle, Toledo, St. Paul, Spokane, Salt Lake City, Omaha, Oklahoma City, Portland, Atlanta, Savannah, Grand Rapids, Wilmington, Fremont, Pasadena, Nashville, Los Angeles and Chattanooga have adopted the system of clearing house examinations. No movement in recent years has been more effective in strengthening the banking situation, and at no distant day every city in this country of sufficient importance to have a clearing house organization should have a special examiner. Surely no city working under such a system and seeing the manifold benefits will ever discontinue it.

AMERICAN INSTITUTE OF BANKING.

With an army of over ten thousand strong this Section probably justifies the interest of this Association above any other, for no other is susceptible of greater development, and in future years our teaching will bear good fruit, repaying many fold in good bankers and good citizens the time and money expended by the Association. While the apparent link between the junior organization and the Association is the Committee on American Institute of Banking, the real link is the Educational Director, who has in a marked degree the faculty of getting good work and giving full credit to the workers. In fact, he often gives credit where another might properly assume it. In the very nature of things it is difficult to have the members of the Institute understand that, while sociability is properly encouraged as a means of attraction, the real end is educational. The reports indicate that the individuals of the organization are now more than ever imbued with the proper spirit and understand the force of an adaptation of the great novelist's simile that "Sociability may form two sides of the ladder upon which men mount, but the rounds of the ladder must be of sterner stuff to stand the wear and tear of time."

STATE SECRETARIES SECTION.

The newest born of the Sections, the Secretaries, has not in its brief existence of one year more than organized for effective work. The mere fact, however, that the Association has, through those composing this Section, such a tie between it and the State associations is sufficient to justify the creation of the Section. There is little doubt that the officers chosen by those who have made such marked successes of the State associations will find many ways to add to the size and effectiveness of the larger Association.

A NEW STANDING COMMITTEE.

During the year there has been a movement in many of the State bankers' associations which resulted in the appointment of special committees on agriculture. The scope of work and accomplishment for these committees is well set out in a resolution adopted at a joint conference of the committees from Minnesota, Wisconsin, Illinois, Iowa, Kansas, Nebraska, North Dakota, South Dakota, Oregon, Montana, Idaho and Washington, which said that "We urge the bankers' associations of every State to appoint standing committees on agriculture, to work for improved agricultural methods, better farm life conditions and education in agricultural development and domestic science for the farm boys and girls, more especially as provided by the consolidated rural school and the agricultural colleges." It is surely true that the banker and the farmer should each have the greatest interest in the prosperity of the other, and this Association should

join in the movement by the appointment of a suitable committee to co-operate with the State committees.

MONETARY REFORM.

In view of the general importance of monetary reform, and especially in view of the tentative plan presented by the Chairman of the National Monetary Commission for the establishment of a central agency of all banks, to be known as the National Reserve Association, the officers having in charge the programme of this meeting decided to make the discussion of that subject in all its phases the special feature, and to that end they received the co-operation of the Sections of the Association, who abridge their programme in order to permit the Association to devote practically two days to the discussion.

The first convention of this Association assembled thirty-seven years ago adopted this: "Resolved, That this convention deems the subject of commercial crisis or money panics as a proper one for discussion with a view of finding their causes and progress and the necessary means of preventing them." From that time to this our conventions, with varying degrees of earnestness, have been discussing these or similar subjects arising from the same underlying causes. Surely there is no other country and no other profession that would as carelessly put up with legal conditions which prevent the safe, sane and free exercise of banking and credit functions.

Your Executive Council, meeting in May in Nashville, Tenn., unanimously adopted this: "Resolved, That the Executive Council of the American Bankers' Association heartily approves the plan for monetary legislation suggested by the Hon. Nelson W. Aldrich, as modified by the Currency Commission of the American Bankers' Association, and the principles set out in the report of the Special Committee of the Currency Commission for extending the benefit of the plan to State banks and trust companies. We firmly believe that it is thoroughly practical, fundamentally sound and comprehensive, and that if enacted into law it will correct all principal defects of our present banking and currency system." It is a far cry from the resolution adopted in 1876 to the one first unanimously adopted, approving the suggested remedy, in 1911. It is almost inconceivable that bankers should have taken thirty-seven years in coming to some solution satisfactory to themselves, and it is to be hoped that the present convention will give its approval of the action of the Executive Council in such a positive way that the whole country will understand that the bankers have at last agreed with practical unanimity on the cause of the trouble and the remedy. The plan upon which this agreement is reached is that proposed by our distinguished guest, the Hon. Nelson W. Aldrich, in the early part of this year, and as revised in October, after numerous conferences with the Currency Commission of this Association and others interested in the subject. The Chairman and other distinguished members of the National Monetary Commission, publicists and bankers representing every Section and every interest appear on the programme. The subject is divided into parts covering every phase from panics to the control of the institution, and these addresses should form a symposium on the subject such as was never before presented in this country and of such value that this Association would be justified in publishing them in book form and offering the work to the bankers and citizens as a standard work upon the subject.

In view of this arrangement it might be considered a discourteous anticipation by those invited to deliver the addresses for me to go into details of the plan or discuss any of the principles of it, but no banker, whether as individual or presiding officer, should lose an opportunity to urge that the settlement of the question be apart from partisanship or to help to make it clear to the country that the proposal is such that it will always be away from the control of designing politicians or of any selfish interest.

If the bankers and business men, who must be the leaders in the movement, succeed in keeping the question non-partisan and in convincing the public beyond a reasonable doubt of the integrity of the control, then its enactment into law will be an easy accomplishment. If the four thousand bankers at this convention are imbued with the proper spirit, if they go to their respective communities and in the period between our conventions put the same energy as they daily apply to personal and business affairs into making the enactment of monetary legislation non-partisan, that end could be accomplished with little other aid. Fortunately, however, we have the hearty co-operation of many commercial and business organizations, and we need only to do our part well. Surely there is no good reason why the question should become a partisan one. There is no party principle involved in such a co-operative agency and nothing but prejudice or the extremity for an issue, which certainly does not exist in this day, could cause either of the two great political parties to treat the subject differently from what they should proposals for good health or pure food, or river improvements, or the building of a great canal. If by any chance it drifts unavoidably by the bankers and business men into a partisan alignment, the only hope of making it an effective issue to the party opposing the plan would lie in its ability to appeal to prejudice through talk of centralization and control by special interest. Neither proposition could be maintained before the thoughtful citizenship of this country, and when the light of reason entered, the party making such an appeal would suffer as such parties have always suffered in the past.

We can show that instead of being centralization the proposal is decentralization, the power coming to the central agency for all banks in just such a way as the power is placed in the Chief Executive of the nation. The President becomes the composite of American ideas, and

when not so there occurs a shifting of authority. So the Central Reserve Association would always be the composite of the shareholding banks, and, therefore, standing for the best in our business life. The Currency Commission and officers of your Association have been in a number of conferences with the Chairman and members of the National Monetary Commission, both before and after the public presentation of the tentative plan, and those having the responsibility of forming a plan showed remarkable willingness to hear and adopt any suggestions tending to (1) keep the control away from speculative marts, (2) keep it apart from political control or prevent its being at any time a political issue, (3) keep the investments of a character that would make any control of little value compared to such an outlay as necessary to acquire it.

This disposition is shown in the recent revision of the plan in which it is provided that not more than four of the thirty-nine elective directors, nor more than one of the five elective members of the Executive Committee shall reside in one district. It seems that the only way in which this disposition can go further is to provide for an Executive Committee consisting of one and only one member from each of the districts. It is practically certain that the real management and control will finally rest either by direct authority or acquiescence of the directors in the Executive Committee. If every district has an equal voice at such a time, nothing will be permitted which would appear to specially favor one interest or district to the injury of the whole country. The working value of a small committee and the expense incident to a large one are quite insignificant and lacking in force as arguments compared with the value of assuring every district in the entire country that it will be fitly represented and by one of its own choosing.

Before leaving the question of control, those expressing a fear on the point seem to deal only in generalities instead of giving some good reasons for the belief that any selfish interest would seek control, or that if sought it could be attained. The plan expressly prohibits the holding of shares by any individual or other than banking corporations, so that direct stock control is forever impossible, and, therefore, to get even indirect control it would be necessary for such interests to purchase control of the majority of the shares of more than half in number and amount of the twenty thousand independent banks of the country. The use of such a stupendous sum as necessary is highly impractical. The suggestion appears foolish to those analyzing the situation and to be a serious reflection on the good sense of those in mind when special control is mentioned.

Undoubtedly those interests which, according to passing speech and hurried composition, are designated as "Wall Street" favor the National Reserve Association or any plan of monetary reform making for stability and prosperity and relieving the best bankers of New York from the great strain of crop movements, trade expansion and panics. Passing the relatively small number of stock gamblers around New York's Stock Exchange, we find there banks, business houses, industrial and railway corporations vitally interested in every section of the country and who have learned what one aptly expressed during the year in saying that his institution and allied interests "makes dollars out of the general prosperity of the country where they could make only pennies out of special privilege." Those interests would subscribe to that truth expounded at our Denver convention by one now a leader in one of the great political parties, when he said: "It is the part even of selfish calculation to know that no interest can hurt the country as a whole and serve itself." The real Wall Street prefers prosperity to special privilege, and knows that they serve themselves most when building up the commercial, manufacturing, agricultural, transportation and banking interests of the whole country.

Even limiting the prompting force to selfish interest there should be no divergence of effort in this country on any business, and certainly none on the question of banking power and credit. So common has become the assumption by those persons most heard by the public that Wall Street is inimical to every other spot in the country, and so far have such theories found lodgment that an unfortunate prejudice exists that can only be removed through greater concern by New York's busy men—such concern as will cause them to remedy any wrongs that exist and then to have in the future greater respect for the importance of holding a democratic attitude towards the things outside of their immediate surroundings.

There were many bankers in New York so conversant with the correct principles of banking and bank credits and having such a position among bankers of the country that it seemed most desirable that they should be here taking part in the discussion, and yet their fear of the public prejudice and belief that injury would be done the cause prevented the part being taken by them which otherwise they would have taken willingly. The officers of this Association doubted the existence of any such extreme prejudice among the bankers and believed that such as did exist would pass away by such participation and discussion together. We believed that every interest favoring monetary reform should come out in the open and advocate it, and by doing so when we came to its final solution we would have as an additional accomplishment a better understanding each of the other, which would more than compensate for the delays caused by unfair and unfounded prejudice.

With only experience in a section of our country mainly dependent upon agriculture, and yet observant of the relative necessities of other sections, my belief is strong that no section or interest can be more benefited than the South and West, and it would be difficult to conceive of a plan, if attempted, that would give such sections greater benefits.

In passing this subject simple justice causes me to congratulate this Association upon the appointment of its Currency Commission at the St. Louis convention in 1906. Whenever the reform of our banking and currency laws becomes an accomplishment, it will be largely as a result of the work and thought of our Commission, and without such a body representing every section and every condition of banking and working on principles and details unceasingly until they arrived at unanimous agreements, the present proposal probably would not now be presented to you in such an acceptable form that it may be approved without qualification.

CONSTITUTIONAL CHANGES.

The Administrative Committee appointed a special committee to consider some changes in your constitution. It was discovered that through what possibly was an error in the drafting or copying the amendment adopted at Los Angeles providing for the Administrative Committee the powers were broader than intended, for the wording was susceptible of the construction that the convention assembled could not appoint committees by resolution, nor could it delegate authority to the presiding officer, but that committees working in the interim between conventions could only be named by the Administrative Committee. It is inconceivable that the possibility of such a construction was contemplated by anyone taking part in its adoption and the present Administrative Committee desires no such exclusive power. We have, therefore, suggested the adoption of the following:

"Be it Resolved, That the last sentence of the first clause of Section 6, Article IV, of the constitution of the American Bankers' Association, be dropped from the constitution, and in lieu thereof a new clause to the same section be added, to be known as Clause 4, and to read as follows: 'Nothing in this section shall impair the right of any convention to create committees and to name the membership in the resolution creating or continuing them or to specially delegate such authority to the presiding officer.'"

Another amendment suggested in concerning the Executive Council. While the wisdom of adopting the present method of making up the personnel by State representation gets more apparent as we watch the effective work and increased interest in the Association, yet there seems to be ground for the criticism that it gives to convening members no opportunity to either compliment the cities or sections in which they meet or to select those who because of special residence or predominating influence might greatly aid in the Association's largest undertakings. Taking this view of the matter, the Administrative Committee recommends that the membership be increased by the election of six members at large, two being elected at this convention and two in each succeeding year.

THE FUTURE.

There is nothing in the whole work of the Association, as recorded in this résumé, not indicating a continued increase of usefulness, and the interest displayed by officials, committees and individual members justifies the prophecy that by the time we come again to this most attractive Southern city our membership may be recorded as above twenty thousand. Under such conditions and with such a bright outlook there could be no better time to call your attention to two apparently questionable tendencies—one being social and one in organization—and yet it is not certain by any means that they are unrelated. The first is the tendency to occupy more and more of the time during conventions in social functions, confined to a class in which too great a majority of those in attendance have no part. This applies to such occasions as the dinners of the Executive Council, Council Club and the Sections. In this way practically every evening during the week is taken, and it is a question whether it would not be better for those engaging in them and for the general good of the Association to have that time given over to general social intercourse.

Are these occasions worth to the participants the disappointment that is found among many who are not permitted to enjoy them, and is it not probable that the exclusiveness of these events, where a few hundreds draw apart from the thousands, has much to do with the occasional out-cropping of such criticism as we hear of "politics," "the machine crowd" and "breaking the line of succession"? For some time in the affairs of the Association the Executive Council was small and the dinners were hardly noticed, but now they are made the prominent events of the evenings. The officers and Council, in my opinion, would do more good by giving such evenings to mixing with all the attending bankers, or taking part only in such entertainment as was given to all. Nothing would be more pleasing to me than to see the next Council take the initiative towards doing away with exclusive entertainments on the official programme.

The second tendency is criticism of our method of selecting officers. There appears yearly some suggestion that the line of succession be broken and a new order of things set up by selecting each year different men for the three administrative offices. Whatever the moving cause of such suggestions, and no doubt they are often made with no selfish purpose, surely no one would seriously propose such a change who had ever been charged with official responsibility in the Association or who had made a study of getting the best results in such an organization. Efficiency should be placed above the desire to hand around honors. Of those taking the other view, it might be asked what appeasement to ambitions would there be in placing only two honors yearly among more than thirty thousand bankers? Such a policy in comparison to the present business-like one seems as foolish

as for the executive officers of any bank or large industrial corporation to be changed periodically that the honors might go to the whole board. Under the rule of succession there is only one new member each year to become familiar with the affairs of the Association, while under the other suggestion an entirely new committee would come into the management.

To go to a custom of electing the two chief officers of the Association at the convention each year would in final practice mean the return to what has once been abandoned as a bad custom, the selection of an officer as a compliment to the entertaining city, and with two such compliments that custom would probably be supplemented by giving the second honor to prospective hosts. In such a custom there would be two evils. First the President of the Association would practically be selected by the hosts of the convention, and second, no banker residing in a city not of a size to entertain the Association would have any chance to attain the highest honor within the gift of the organization, thereby confining such honors to less than a dozen cities.

CONCLUSION.

During the three years of official connection with the Association such cordial support and encouragement from my associate officers, councilmen and members has been given to me that my full appreciation cannot be fitly expressed. Deeply sensible of that support and of the great honors that you have conferred, my chief endeavor has been and will be in the future to fit my words and actions to the early promise of my friends, to the expectations of the membership and to the reasonable requirements of the position. Feeling that my obligation to individuals and to the organization, instead of ceasing now has just fairly begun, no one will be found readier to render unselfish service in the future.

President Watts: The guest of honor for this occasion needs no introduction to the bankers of this country. In truth, he needs nothing the bankers or the country can give, but he evidently desires a thorough consideration of his work stripped of the discoloration of prejudice or partisanship, and on the part of the bankers I bespeak for him a consideration of what he would gladly make his life work.

I take pleasure in presenting to you the Honorable Nelson W. Aldrich, Chairman of the National Monetary Commission. (Applause.)

The Proposed Monetary Plan, by Nelson W. Aldrich.

[Senator Aldrich's address in full will be found on page 117.]

On motion of Cornelius A. Pugsley, of Peekskill, N. Y., the convention by a rising vote expressed its thanks to the distinguished speaker for coming to New Orleans and addressing the Association.

President Watts: The Annual Report of the Executive Council will now be presented by Mr. Robinson, of Baltimore, Md., the temporary chairman of the Council in the absence of Mr. Huttig.

Report of Executive Council.

[The report of the Executive Council will be found on page 165.]

L. E. Pierson, of New York: I move that a telegram expressive of our regret that his continued illness has prevented his attendance here be sent to Mr. Huttig.

The motion was seconded and carried.

President Watts: Gentlemen, without objection the convention will adjourn until half past two o'clock. The chair hearing no objection, the convention stands adjourned until two thirty o'clock.

AFTERNOON SESSION.

President Watts: The General Secretary will now present his annual report.

Annual Report of General Secretary.

[The annual report of the General Secretary was then read. It will be found on page 163.]

On motion the report was approved.

President Watts: Next in order is the report of the General Counsel, Mr. Thomas B. Paton.

Report of General Counsel.

[The report of the General Counsel was then read. It will be found on page 166.]

On motion the report was approved.

President Watts: The annual report of the Treasurer will now be presented.

Annual Report of the Treasurer.

[The report of the Treasurer was then read. It is given on page 167.]

On motion the report was then received and filed.

President Watts: Next in order is the report of the Standing Protective Committee.

Report of the Standing Protective Committee.

[The report of the Standing Protective Committee was then read. It is printed on page 175.]

On motion the report was received and placed on file.
President Watts: I will appoint as the Auditing Committee, Mr. Davis, Mr. Reading and Mr. Graham.

AMENDMENTS TO CONSTITUTION.

The next item of business is a report from the Executive Council on certain proposed amendments to the Constitution. In the absence of Mr. Huttig, this matter will be presented by Mr. Pierson.

L. E. Pierson, of New York: Mr. President and Gentlemen, on page 25 of the official programme you will find the proposed amendment.

The amendment was submitted by Mr. E. W. Clark, of Detroit, Mich., and in substance provides that any national or State bank, trust company, savings bank or private banking firms doing a deposit and discount business may become a member of the Association, etc.

The Council understand that this amendment would eliminate savings banks and trust companies as well as some private bankers, and it accordingly disapproves of the amendment. I, therefore, move that it be not adopted.

F. W. Hyde, of Jamestown, N. Y.: I second that motion. President Watts: Is there any discussion? If not, all in favor of the motion disapproving of this amendment will say aye; opposed, no. (Carried.) The amendment is disapproved.

L. E. Pierson: The next amendment that I shall present really covers two or three amendments, all aiming at the same results, namely, to make eligible as a member of the Executive Council, a bank clerk who may not be an officer of the institution he represents, and yet who may have been elected to the Executive Committee of the American Institute of Banking, which is entitled to representation on our Council. It also gives representation to the Secretary of the State Secretaries' Association.

I move the adoption of this amendment.

David Cromwell, of White Plains, N. Y.: I second the motion.

L. E. Pierson: Before the question is put on the motion, I would state that the Council also approves of giving representation to the Clearing House Association, and making eligible to membership in the Council of an officer in the Clearing House Section. The exact verbiage will be found at the top of page 26, at the end of the first paragraph.

(The question on the motion was then put and carried, and the amendment declared adopted.)

L. E. Pierson: The Council recommends the adoption of the amendment in reference to the representation on the Council from the District of Columbia.

R. E. James, of Easton, Pa.: I move the adoption of that amendment.

(The motion was seconded and carried, and the amendment declared adopted.)

L. E. Pierson: The amendment appearing at the bottom of page 27, providing for the selection of six members of the Executive Council, which amendment was proposed by Mr. Watts, is approved, and I move its adoption. (The motion was seconded.)

William George, of Aurora, Ill.: Mr. President, I move that it be not adopted.

President Watts: Mr. Pierson's motion having received a second, you will have to offer your motion as a substitute.

Wm. George: Then, sir, I move as a substitute that the recommendation be not adopted.

M. Goldwater, of Prescott, Ariz.: I second that motion.

(At this point President Watts called Vice-President Livingston to the chair, and he took the floor and supported the amendment.)

President Watts: It seems to me that this is a wise provision, that the membership in the Council should have some fixed and definite number constituting the right to a representative. The convention at Atlantic City fixed the number at 100. There are many States that have not more than 100 banks. From my point of view, if there are only 101 banks in a State I see no reason why there should not be 100 of them members of this association, and if there are 100 banks in any State and they do not care to exercise that right, it seems to me they are estopped from claiming that they are not represented.

As to this amendment, I would say that I had a conspicuous part in the adoption of the present amendment providing for representative government in the affairs of the Association. I believe it has increased the interest of members in the Association. I was a member of the Council when it was composed of 35 members, and then later when it was composed of 70 odd members, and I think the larger body did quite as effective work as the smaller body. It seemed that the Nominating Committee selected one from every State, meeting at the annual convention, its duty was merely perfunctory. Its nominations were handed up to it by the State conventions and by a well-founded custom in the Association, of promoting the Chairman of the Council to the first vice-presidency and from there to the presidency. So that in the meetings of the Nominating Committees, there was nothing of much importance for them to do, and often times there was not a quorum present. That was one reason that prompted me to suggest this amendment. An-

other reason was that if there were one or two men of prominence in the profession whom as a convention, we desired to compliment by appointing them to Council, we could do so.

I cannot see how any objection can be made to these proposals, except on the theory that it will increase the size of the Council, and increase to some extent the expenses.

R. E. James, of Easton: I cannot concur with the President in this matter. Twelve thousand bankers are represented by 59 gentlemen on the Executive Council. In addition to those men, there are sixteen others who represent no constituency whatever; some of them represent one of the Sections of the Association; some another, and so on, and now it is proposed to add six more who will represent nobody but themselves. I think it is very ill advised and I am opposed to it.

President Watts: Is there any further discussion? If not, the question will be put. All in favor of the adoption of the amendment will say aye; opposed, no.

(The result being in doubt, a division was ordered, whereupon the motion to adopt the amendment was lost, it requiring a two-third vote of the members present to amend the constitution of the Association.)

President Watts: Unless there is objection, we will postpone further consideration of the amendment until tomorrow, and proceed with the addresses on the programme. The chair hearing no objection, it is so ordered.

Gentlemen, we are favored in having present the gentleman connected with one of the gigantic banking firms of America, the firm of Kuhn, Loeb & Co. I present to you Mr. Paul Warburg of that firm. (Applause.)

Circulating Credits and Bank Acceptances, by Paul M. Warburg.

[We print Mr. Warburg's address in full on page 125.]

President Watts: Next in order on the programme is an address by Mr. F. H. Goff, of Cleveland, Ohio.

Relation of State and Savings Banks and Trust Companies to Reserve Association.

[Mr. Goff's address will be found on page 129.]

President Watts: I take pleasure in presenting to the convention as the next speaker, Assistant Secretary of the Treasurer, A. Platt Andrew.

The Relation of the National Reserve Association to the Government, by A. Platt Andrew.

[Mr. Andrew's address is spread out in full on page 123.]

President Watts: This will be the last address presented today, as the hour is so late.

The convention will now stand adjourned until tomorrow morning.

Adjourned to Wednesday, November 22, at 10 a. m.

SECOND DAY'S PROCEEDINGS.

Wednesday, November 22, 1911.

President Watts: Gentlemen, you will please come to order for the opening of the Second Day's session of the Thirty-seventh Annual Convention of the American Bankers' Association.

We will have an invocation from Bishop Sessums. Please rise, gentlemen.

Prayer by RT. REV. DAVIS SESSUMS, Bishop Diocese of Louisiana.

Almighty God, whose kingdom is everlasting and power infinite; have mercy upon this whole land; and so rule the hearts of thy servants, the President of the United States, the Governor of this State, and all others in authority; that they, knowing whose ministers they are, may above all things seek Thy honor and glory; and that we and all the people, duly considering whose authority they bear, may faithfully and obediently honor them, in Thee, and for Thee, according to Thy blessed Word and ordinance; through Jesus Christ our Lord, Who with Thee and the Holy Ghost liveth and reigneth ever, one God, world without end. Amen.

O God, our Heavenly Father, Who givest every man the work of his calling as a means of serving Thee; and Whose never-failing Providence ordereth all things in heaven and earth; give, we pray Thee, Thy guidance and assistance to those who are assembled in this Convention to deliberate upon financial and economic questions. Enable them truly to realize and faithfully to fulfill their stewardship to Thee, and to be steadfast and true in their positions of trust in relation to their fellow-men. By their examples in their several spheres may they strengthen the mutual bonds of confidence and faith which bind human society together, and by their integrity, righteous dealing and humane good-will may they incite others to live by standards acceptable to Thee, O Righteous Father; and promote the extension of Thy Kingdom over the practical lives of men. Grant them, we beseech Thee, O Lord, the wisdom which will help to avert those crises which unsettle trade; to maintain on sound conditions and equitable principles the business of this land; to abate the evils of speculation; to advance this nation in habits of frugality, simplicity, and towards that wealth of character which is more precious than gold or diamonds. Vouchsafe to them, we pray Thee, O God, that vision of trade and commerce which makes them not merely means of gain, but moral relations for the practice of brotherhood and impels men to seek

others' welfare as their own. Enlighten them to interpret wealth as a force to be transmuted into the higher forces of education, philanthropy and religion, and each in his place, by seeking first Thy Kingdom and Thy Righteousness, to lessen the struggle of man against man, and bring in the nations to the dominion of the Prince of Peace. From Thee, O God, is the talent and the power to use it. Direct, we beseech Thee, the consultations of Thy servants here assembled and bless their endeavors, that Thy Kingdom may be advanced, and themselves be found acceptable servants in Thy sight; through Jesus Christ, our Lord. Amen.

President Watts: The special order of business upon convening this morning was fixed by the convention yesterday to be the further consideration of the proposed constitutional amendments. What is the pleasure of the convention in this matter?

J. M. Elliott, Los Angeles, Cal.: Mr. President, I move that the further consideration of the proposed amendments be deferred until 11 o'clock Friday morning, and that the regular order be now proceeded with.

Hiram R. Smith, Rockville Center, N. Y.: I second the motion.

President Watts: Gentlemen, you have heard the motion to postpone and proceed with the addresses scheduled for this morning. Are you ready for the question? All in favor of the motion will manifest it by saying aye; opposed, no. The ayes seem to have it.

C. H. McNider, Mason City, Iowa: I call for a division.

E. D. Durham, Onarga, Ill.: Will the Chair please state the question upon which we are voting?

President Watts: The Chair understands the motion made by the gentleman from California to be that the further consideration of the proposed constitutional amendments be postponed and made the special order for eleven o'clock Friday morning, in consideration of the addresses that we are to listen to this morning.

A division is called for on this question. Therefore, those favoring postponement will rise. (130 members arose.) Now, those opposed to postponement will rise. (60 members arose.) The Secretary advises the Chair that the vote is 130 for postponement and 60 against postponement. The Chair, therefore, announces that the further consideration of the proposed constitutional amendments is postponed and made the special order of business for eleven o'clock Friday morning.

The first regular order on the programme this morning is an address upon a subject which is most interesting, I am sure, to the country; and, as a result of the conditions which will be treated under this head, the proposition now before the country has been made. There has been no closer student of economic conditions in this country than the man who has been selected to treat this particular subject, and I take pleasure in presenting to you Mr. John Perrin, Chairman of the Board of the Fletcher-American National Bank, of Indianapolis, Ind.

Trade Fluctuations and Panics, by John Perrin.

[We print Mr. Perrin's address on page 156.]

President Watts: The next speaker is a young man who knows a great deal. If he were to us all that he knows, it is probable we would all be in Wall Street instead of where we are. He has the honor of being the practical head of the second largest trust company in America, and he speaks with authority in matters of finance and he speaks understandingly upon the subject which is before you for discussion today. I have the pleasure in presenting to you Mr. Benjamin Strong, Jr., Vice-President of the Bankers' Trust Company of New York.

"Interest Rates, Earnings, Dividends and Taxation."

[Mr. Strong's address will be found on page 132.]

President Watts: The next address on the programme will be delivered by a man representing the highest type of banking in America. It is because banking in the United States has had such men at the helm that the country has made a progress that is remarkable, notwithstanding the restrictive laws under which it has labored. This particular banker has had much to do with the crystallization of thought not only among bankers, but among all classes of business men, and I am sure you will take pleasure in listening to the address of the Vice-Chairman of the Currency Commission of the American Bankers' Association and the President also of the First National Bank of Chicago, Mr. James B. Forgan, whom I now present to you. (Applause.)

The Mobilization and Control of the Reserves of the Country.

[This address will be found on page 135.]

President Watts: Gentlemen, the next address is to be very interesting. We are to be told the public opinion on the National Reserve Association by the President of one of America's greatest universities; a man who has been observant of public opinion and a man who has shown a marked interest in all public and business questions. I have great pleasure in presenting to you President Schurman. (Applause.)

Public Opinion and the National Reserve Association.

[President Schurman's address appears on page 139.]

President Watts: We will have a short address from George M. Reynolds before we adjourn, and I know that will hold you. (Applause.) I always have the most profound respect and I listen with the greatest interest to men who do things. The man who is to address you now is not only a man who has been doing things, but he is a democratic banker who knows how to stand up and tell you the things that the bankers of this country ought to do in order that this country may accomplish what it should accomplish with its wonderful resources.

I take pleasure in presenting to you George M. Reynolds, President of the Continental & Commercial National Bank of Chicago. (Applause.)

Re-Discounts and Book Credits.

[We print Mr. Reynolds' address on page 152.]

President Watts: I desire to call attention to the fact that we are to have some very interesting addresses this afternoon, when two members of the National Monetary Commission, both residing in the southern part of the country, will speak to us. In addition to that, it is contemplated that Senator Aldrich will take the platform and answer any questions that may be asked him, regarding his proposed plan. Therefore, I hope you will all be in your seats promptly at half-past two o'clock.

Without objection the Convention will now stand adjourned until that hour.

A recess was then taken until 2:30 o'clock.

AFTERNOON SESSION.

President Watts: Gentlemen, the afternoon session of the Second Day's meeting of the Convention will come to order.

We will change the published programme slightly. An invitation was extended to a distinguished banker of Philadelphia to present to the convention the subject of the benefits to the manufacturer and the laborer of the proposed National Reserve Association; a man especially qualified to speak on that subject for the reason that he was the executive officer of one of the largest savings banks in the great State of Pennsylvania, and was also a director of one of the greatest railroad corporations in the land. Unfortunately, illness in his family has prevented his attendance in person, but your President has received a letter from him, in which he enclosed his address and requests that it be read by his fellow-townsmen and friend, Mr. A. A. Jackson, Vice-President of the Girard Trust Company of Philadelphia. I take pleasure in presenting Mr. Jackson to you.

A. A. Jackson, of Philadelphia, Pa.: Mr. President and Gentlemen: I know how sorry Mr. Patterson is that he cannot be here, and I assure you that it is only because illness in his family has prevented his attending that he is not in New Orleans at this time.

I am glad to observe, Mr. President, that you have gauged Mr. Patterson's ideas because of his association in the two directions that you have named. Now, gentlemen, if you will permit me to read his words and try to imagine his voice, and not imagine that it is me, I shall be obliged.

The Benefits of the National Reserve Association to the Manufacturer and the Laborer.

[Mr. Patterson's address may be found on page 146.]

President Watts: The next subject for presentation is one of the greatest interest to the country, as a whole, and one of especial interest to the section in which this convention is being held. It is the Needs of the Farm and its Benefits from the National Reserve Association.

It seemed a fitting thing, therefore, to select a banker from this section to prepare and deliver the address upon this subject. The banker who was selected for this purpose has the confidence of every man in the banking business, in the South and his circle of acquaintances has broadened beyond local confines until today Joseph G. Brown, President of the Citizens' National Bank, of Raleigh, N. C., is well known and esteemed by bankers all over the United States. I present Mr. Brown. (Applause.)

"The Needs of the Farm and Its Benefits From the National Reserve Association."

[Mr. Brown's address will be found by reference to page 143.]

President Watts: A Congressional district in the State of Louisiana which has honored one of its citizens, a Republican Congress honored him by appointment one of the most important commissions ever appointed; a succeeding Democratic Congress added to his honors by selecting him as chairman of one of its important committees, and a committee in which you are most interested; and I dare prophecy that the end is not yet. This gentleman has honored us by becoming our guest upon this occasion and he will now address us. I take pleasure in presenting the Hon. A. P. Pujo. (Applause.)

Benefits of the National Reserve Association to the Country as a Whole, by Arsene P. Pujo.

[Mr. Pujo's address will be found on page 161.]

President Watts: Gentlemen, the State of Tennessee has

in the past furnished to the country citizens of strong convictions and the type is not extinct in Tennessee. There is a man on the National Monetary Commission from Tennessee; a man whom no force could cause to act other than in accordance with his honest convictions; a rugged Tennessean and he will present to you a subject which, to my mind, is a most practical one, and upon its final solution depends the enactment of this legislation. I present to you the Hon. L. P. Padgett, member of the National Monetary Commission, and Congressman from the Sixth Congressional District of Tennessee. (Applause.)

Keeping the National Reserve Association Apart From Partisan Politics and Special Control.

[Mr. Padgett's address is printed on page 159.]

President Watts: In the discussion, this being a discussion that is representative of this entire country, it would not be complete without hearing from that part of the country which is west of the great divide. We have selected a banker who stands foremost in that section, and we are to have the pleasure of hearing from him now. I take pleasure in presenting to you, therefore, Mr. Frank B. Anderson, President of the Bank of California, N. A., San Francisco. (Applause.)

"Relation of the National Reserve Association to the Foreign Trade and Banks and the World's Financial Center."

[Mr. Anderson's address will be found on page 147.]

President Watts: Although the hour is late and Senator Aldrich is going to take a train this evening, he has kindly consented to remain and answer any questions that may be propounded to him regarding the working of this plan.

SENATOR ALDRICH ANSWERS QUESTIONS.

Senator Aldrich: Mr. President, may I say a word first in reply to the gentleman who has just delivered the address?

President Watts: Certainly, sir.

Senator Aldrich: I desire to say that, of course, I did not intend to discuss in my address yesterday intricate questions such as are involved in our foreign exchange system. Indeed, I had neither the time nor the inclination to do so. Now, a great many of the questions raised by the gentleman from California in his address to which you have just listened are administrative; but there is one question that he raised which, in my judgment, is fundamental. He insists that the National Reserve Association shall have a right to protect its discount rate, shall have a right to go into the open market and buy paper, and he contends that that right cannot be made effective without the possession of that power. I would suggest to the gentleman from California that European banks have stopped absolutely that custom. The members of our Commission were told by the directors of the Bank of England that they had absolutely stopped that custom. It was formerly the custom, when they had to provide for the enforcement of their rate, to buy consols in the open market, but we were told by the officers of the Bank of England that they had discontinued that custom and that they did not go into the market. Practically the same information was given to us in Paris and in Berlin.

But there is another objection which I think is fundamental. It would be absolutely impossible, in my judgment, to pass a bill through Congress, or to get the consent or approval of the National Monetary Commission, to a plan which should not prohibit the National Reserve Association from going into the market and buying private paper. The Second Bank of the United States was swamped because Andrew Jackson said—I do not know and I suppose none of us can tell how accurate those statements were—that the funds of that bank were used in discounting the paper of politicians; that they were used in discounting the paper of favored institutions that were friendly to the Bank. And President Jackson convinced the people of the United States that that great institution was being used for private purposes. Do you suppose it would be possible in this day to permit the management of this organization to decide whether it would buy paper in San Francisco or in New York or in New Orleans to protect its rate? I do not think it is necessary to do it, in the first place; and, in the second place, it would be impossible ever to have such a thing done. I decided myself, and my own judgment was confirmed by the judgment of every person with whom I talked—except, I may say, my friend here from California—that this provision would be fatal to the success of the institution. Suppose, for example, that we had a possible management of this Association that felt very friendly to our friend from California, and that it should send to his bank and buy paper when it was refusing to buy paper anywhere else. How would you convince the people of this country that that great power was not being used as President Jackson said a similar power was used in 1834-5-6-7? We have got to consider more or less generally with reference to this question conditions past and present and conditions for the future. If I believed that we should find it necessary here, where it is not necessary anywhere else, to sustain the rate and give it effectiveness, then I would seriously consider the proposition which has been put forth by our friend from California; but I believe they are beyond our reach on account of

their not being necessary, and, more important, because it would justly create criticism which would be fatal to the whole proposition.

Now, sir, I am willing to answer any questions that may be propounded by any gentleman.

Myron Campbell, of South Bend, Ind.: Mr. President, last evening I had the pleasure of enjoying a very pleasant conversation with the Senator, in which he answered very cordially several questions which I put to him, and it has occurred to me that possibly he might be willing that I should repeat those questions, three in number, so that he may himself give you the assurance that he gave to me.

The first question was, What is to be the authorized capital of this institution? It may be one-twentieth of the capital of the subscribing banks. But nothing has been said in the proposed bill as to what the minimum capital should be. I suggest that it might be well to give an assurance that there would be a minimum subscribed capital before there should be any authorization to begin work.

Another suggestion that I made was this: That it probably would be desirable to make at least a tentative geographical boundary for the several districts, to be enforced, at least, until permanent organization was effected, which could only take place when directors were elected.

The other suggestion that I made was that under the suggested plan for directors, it was possible that eight districts might have four directors each, leaving seven districts with only one director. The thought was that it might be advisable to provide that no district should have not less than two directors and in no event more than three directors. This would insure three directors for nine districts and two directors for the other six districts.

Senator Aldrich: As I said to Mr. Campbell last evening, of course, these are matters of detail which the Commission will have to take up. I may say that I think Mr. Campbell's suggestion in reference to the location in the territory of the district in the initial organization is probably what would have to be done. It certainly would have to be done through the recommendation of the Commission and Congress acting favorably upon the recommendation. I take it for granted that the fifteen districts in which the country is supposed to be divided could be easily located territorially. If, for instance, one hundred of us here should decide where those districts should be, why, I suppose ninety-nine of them would take the same location so far as they are fixed by existing centers, and there would be no difficulty about that.

As to the other suggestions made by Mr. Campbell, I will say that I think there is some force in them, but they are matters of detail which, of course, the Commission has got to take up and consider very carefully with reference to suggestions that may be made.

President Watts: Has any other gentleman an inquiry to make of the Senator?

Frank B. Anderson, of San Francisco, Cal.: Senator, my position is a peculiar one. I am a good deal like the Turk who says, "I believe everything you say"; but the only trouble in my mind about what you say is that you do not go far enough. I did not say anything about buying private paper. I have understood from what has gone before in this Convention that Andrew Jackson was buried—that is, the financial system of his time; for the time being, and I also understood from what has been said by the other gentlemen on the Commission that what was proposed was that we were to have something that was scientific—

Senator Aldrich: (Interposing). What do you mean there by "scientific"?

Mr. Anderson: Why, bank acceptances. Now, this plan of yours gives you the power to tighten up the conditions on the banks at will.

Senator Aldrich: What are acceptances except private paper, may I ask?

Mr. Anderson: So far as the banks abroad are concerned, I want to say that the Bank of England does buy in the open market.

Senator Aldrich: I will have to put against your statement, sir, the statements of the Governor and Directors of the Bank of England.

Mr. Anderson: The Bank of England does go out and borrow money in the open market, as I could show you by records that I have seen. So far as other banks are concerned, abroad, they have the right and the power to go out and do likewise if they find it necessary to enforce the rate. They can say, Oh, no, we never borrow in the open market, but you can go and open an account with them and do the same thing through them.

Senator Aldrich: Could the Association in San Francisco come to you and say, Why don't you offer to discount with us?

Mr. Anderson: Well, if they had done that last spring, I would say very frankly that I had trouble enough to loan my own money. Now, another answer, Senator, would be this: That for the purpose of finding investment for your National Reserve Association, I would not be willing to exceed my power to borrow from that Association, because that is the plan which you say will not be endorsed by the subscribing banks.

Senator Aldrich: You can imagine, gentlemen, the questions that we have had presented to us for our consideration. In response to the last suggestion, I would say that the gentleman should draw a line between good loans and bad loans, and he would have a right to go out into the market and buy the acceptances of a first-class house. But who is going to determine what a first-class house is? There might be a great difference of opinion in every community as to what is a first-class house. Are we willing to give to the manager himself the right to discriminate between houses in California, or in New York, or in Louisiana? One man in New Orleans might think a house was first-class that another man might not think was first-class. There is only one thing that we can do: We have got to follow the line which our friend from Tennessee has laid down; there must be equitable and equal treatment—and we must force equal treatment if you please—to every person and to every corporation in every section of this country. (Applause.)

Robert D. Kent, of Passaic, N. J.: Mr. President, in view of the fact that under the proposed plan a bank can after loaning out all its available funds further increase its loaning ability by obtaining a considerable line of re-discounts, and in addition to that can accommodate borrowers by loaning them its credit by acceptances; and in view of the additional fact that many of us are disposed to overwork a good opportunity, what provision is there to present a serious condition of over expansion and inflation?

Senator Aldrich: I wish that I had time to answer fully that inquiry; and, Mr. President, if I may have the privilege of doing so, when I come to revise the manuscript of this discussion, I will answer it fully.

President Watts: We shall be glad to have you do so, sir.

Senator Aldrich: In none of the European countries is there any limitation whatever upon this matter. There is no limitation either upon the central bank or the joint stock bank as to the amount of loans and discounts they may make or as to the proportion which those loans and discounts shall bear to the capital or to the surplus or to the reserves. Those matters are all left to the discussion of the managers of the institutions. Now, today we have in this country no laws which prevent expansion, no laws which prevent inflation. The only provision we have is that a certain proportion shall be enforced between the outstanding demand liabilities of an institution and its resources. In ordinary times, sir, it would be easy to have any of the banks represented by any of these gentlemen change a part of its resources into lawful money or into a credit with a bank in a reserve city or central reserve city; and that would become at once the basis, if you please, of four times that amount in loans and discounts. So there exists today no limitation upon expansion or inflation. A national bank is restricted, of course, in its note issues by the amount of the Government bonds it can take; but so far as discounts are concerned, there is no limitation, and for the first time in legislation of this kind we have proposed a series of limitations not only upon the extension of credits, but upon the inflation of note issues to prevent over-expansion of credit and also to prevent undue inflation of note issues. For the first time in the history of this or any other country, this has been done, and it has been done through an overabundance of caution; because I think, speaking to bankers, I need hardly say that this question of credit and note issues, and, every other great function of a bank, depends in the last analysis upon the character and the ability of the bank managers. (Applause.) They ought not, perhaps, to be matters of strict limitation. We propose in this matter to have a local association and a district association and a National Reserve Association. The managers of those different associations are to be selected by the banks; they are to be selected by local bankers in the local association, in the district association, and in the general association. Now, the function of the local association is to guarantee the paper of individual banks. Do you suppose that in any community in the United States the directors of a local association would willingly permit expansion by over-guaranteeing the paper of individual banks? Do you think it is possible that a district association that is going to have charge of the matters of discount and re-discount of individual banks guaranteed by the local association, or guaranteed perhaps by a deposit in the third case that has been presented—do you believe it is possible that the collective representation of these banks is going to permit over-expansion of credits? I think not. Expansion or inflation cannot take place without the combined assent of all the representatives of all the banks practically. Then beyond that, we have provided a system of reports and examination, which are to be forwarded to the managers of the different associations, and finally to the Governor and Executive Committee of the General Association; and those gentlemen are to sit in judgment and decide whether or not a local association is over-expanding its credit.

I wish that I had time to go into the matter of note issues a little further. We have a lot of limitations. An individual bank cannot have its paper rediscounted beyond its capital, and it cannot accept paper exceeding half of its capital. A guarantee of the local association can never be greater in the aggregate than the combined surplus of the banks comprising

the association. We have more limitations in reference to note issues that exists in the legislation of any country in the world. We have, first, the provision that no note shall be issued at all unless it is covered by one-third gold—and I include in the word gold, both gold and lawful money—with the remainder either in United States bonds or commercial paper. We have, second, a provision which is new and unique in financial legislation, namely, that all liabilities of the Reserve Association shall be covered to the extent of fifty per cent. in gold or lawful money. These limitations apply not only to notes, but to all demand liabilities. If that reserve falls below fifty per cent., then we have a system of graded taxation, an increasing tax, based upon the extent of the reduction below fifty per cent. This, of course, must act as a limitation. Then we have a right—which I think will work—to increase the rate of discount in case there is a tendency to overinflation or overexpansion. If one rate does not answer the purpose, we have a right to put the rate up. That, perhaps, may be the most effective of all. We have another limitation of the note issue which, if the others fail, will certainly work. I assumed in the preparation of this particular feature of the plan, that seven hundred millions of notes, outside of all the other forms of circulation, that we now have, might be considered perhaps the normal amount; and I have said that there ought to be possibly a chance to expand that in crop-moving period two hundred millions, making nine hundred millions in all, and when the note issues rise above nine hundred millions and the excess is not covered by actual gold a tax is levied—first of one and a half per cent. up to twelve hundred million, and, if the amount of the note issue is more than twelve hundred million and the excess is not covered by actual gold, to the extent of 100 per cent. a tax of five per cent. is levied. This certainly would prevent any undue inflation of notes and would immediately bring about a contraction.

This note issue system, you will observe, is a combination of the rules of regulating note issues in France and in Germany, and then it has this new feature in reference to the reserve of fifty per cent. as against all liabilities.

I have no question whatever in my own mind, first, that the management of this institution in all of its forms in the various associations is bound to be conservative, as it represents the combined judgment and wisdom of all the banks of the United States, and that it would prevent undue inflation or expansion; but, in order that there could be no undue expansion or inflation, we have fixed these restrictions and limitations which of themselves, if there was a tendency in either direction, would prevent it. (Applause.)

E. R. Gurney, of Fremont, Neb.: I would like to ask the Senator if, in his opinion, the other extreme would ever arise, when there would come a time when there would be no volume of investment for the National Reserve Association, and when it could not pay dividends?

Senator Aldrich: I do not know whether the gentleman heard Mr. Forgan's address today. Mr. Forgan covered that point in his address. He showed that there never had been any such condition. My own feeling is that the time will never come when in some locality of the United States there will not be a demand for rediscount. It will not all come at the same time, perhaps, but there never will be a time, especially in this community here and in other communities where there is not a surplus of capital, when there will not be a certain amount of paper presented for rediscount. Therefore, I do not think the gentleman's question is really a practical one.

Thomas Branch Adams, of Richmond, Va.: Under the reading of section 38 of the proposed Act, I would inquire whether the amount of accommodation to be extended to any bank would be based at all upon the size of that deposit?

Senator Aldrich: I should say not. Certainly I had no purpose in mind to put in any limitation of that kind.

President Watts: Are there any more questions to be asked of the Senator? Senator, we are very much obliged to you.

Senator Aldrich: I feel, gentlemen, that I ought to apologize for taking up so much of your time.

(Cries of "No, no, we would like to have you talk longer!")

President Watts: It is very pleasing to all of us, I am sure, that after the program which we have prepared upon this particular subject your minds are so well satisfied with its presentation that there are so few questions arising in your mind for the Senator to answer.

The Association will now adjourn until Friday morning.

Adjourned to Friday, November 24, 1911, at 10 a. m.

THIRD DAY'S PROCEEDINGS.

Friday, November 24, 1911.

President Watts: The third day's session of the thirty-seventh Annual Convention of the American Bankers' Association will please come to order.

I suggest, gentlemen, that it is not at all necessary for you to travel under your respective banners this morning, as there are plenty of seats, and I hope you will come up forward and fill them.

We will have an invocation from the Rev. Dr. Leucht. You will please stand, gentlemen.

Prayer by REV. I. L. LEUCHT, Rabbi Touro Synagogue.

Almighty God, Thine is the might and the power; Thine is the glory and the majesty; Thine is the world of empire; Thy hand raises the people. It is Thou Who sends forth Thy messengers to perform Thy will, leading manhood in the path of virtue, and he that carries the thoughts of enlightenment and civilization has borrowed its flame from the sign of Thy glory.

Those, O Lord, who are assembled here this morning, ask for Thy presence and Thy blessing; they have come from all parts of our land in order to link the heart of this great nation closer and closer to our ideals, to make this country stronger and stronger and to develop our material interests, and He that brings man nearer to man brings him nearer my God to Thee.

We pray Thee, O God, bless these men here assembled; give them light and strength, wisdom, forbearance and council, that their work may redound to the honor of the country, to the civilization of this great Commonwealth and for the glorification of Thine own precious name; and Father, may this Convention promote feelings of good will and sentiments of humanity throughout this land and teach us by example and by word the doctrine of good citizenship, and emphasize the truth, O Lord, that Thou art the God of all; that it is not Thou that erects partitions between man and man, for Thou art the God of all men and all men are like Thee.

The Convention of these men here assembled is now coming to a close and they will return whence they came. O, stand Thou sentinel at the gates of their households that when they return they will find no one missing, no one in peril and no one in pain, and thus be once more re-united in happy, happy homes. And to all of us may come Thy grace; may the Lord bless us; let His countenance shine on them and be gracious to them and lift up their hearts and grant us peace for evermore. Amen.

President Watts: Gentlemen, in the regular order of business the first thing for you to consider this morning is invitations for the next convention.

INVITATIONS TO NEXT YEAR'S CONVENTION.

JACKSONVILLE, FLA., SEEKS CONVENTION.

Secretary Farnsworth (reading): "Jacksonville, Florida, November 23, 1911. F. O. Watts, President American Bankers' Association, New Orleans. We extend to your organization a most cordial invitation to hold your 1912 Convention in this one of the most principal cities of the Southland, assuring you a typical Southern welcome. In case this invitation reaches you too late we desire to be put on record as a strong candidate for the 1913 Convention. Jacksonville Board of Trade, Francis P. Conroy, President, H. H. Richardson, Secretary."

"F. O. Watts, President, American Bankers' Association in Convention, New Orleans. Our board of trade is urging your Association to meet in Jacksonville in 1912. If too late please consider this city as strong candidate for the honor in 1913. I most heartily second this invitation on behalf of the Jacksonville Clearing House Association, and hope you will give a friendly lift to our ambitions. Jacksonville is well able to take care of you and promises a royal welcome. (Signed) Jacksonville Clearing House Association, Thomas P. Denham, President."

This seems to be from a namesake of mine. "Fred E. Farnsworth, Secretary, American Bankers' Association, New Orleans. Board of Trade has invited your Association meet here in 1912. Hope you will use your influence to secure it for Jacksonville and Florida. If unsuccessful Jacksonville will be strong bidder for 1913 Convention. C. L. Farnsworth."

ATLANTIC CITY WANTS CONVENTION, TOO.

"Atlantic City, N. J., October 23, 1911. Col. F. E. Farnsworth, Secretary, American Bankers' Association, 11 Pine Street, New York City. Dear Sir: I am enclosing you our formal invitation to hold your 1912 Convention in Atlantic City, and under separate cover am mailing you our Bureau literature. I trust that you will have our invitation presented at the proper time and place at your New Orleans Convention next month, and wish that you would later on advise me as to the time and place of meeting of your Executive Committee, by whom this matter is finally determined, as some of us would like to be present at the later meeting in order to renew the invitation personally. Thanking you for your kindness in advance, and with best wishes, I am, very truly yours, George S. Leonhart."

Then follows another letter on the same subject and the last letter, October 28th (reading): "Col. Fred. E. Farnsworth, General Secretary, New York City. Dear Sir: Please accept my thanks for the information contained in your letter of October 27th. I highly appreciate the kindness in promising to present our invitation at the proper time and place to hold the 1912 Convention of your Association in Atlantic City. Even if next year's Convention should go to Detroit or elsewhere, it will keep us in line for some other time. Should Detroit not secure the Convention in 1912 or be unable to properly handle it, I trust that Atlantic City's invitation and proposition will be favorably considered. You and your Association have been here and know exactly what we can do for you. Again thanking you for your kindness and with best wishes, I am, very truly yours, George S. Leonhart, Secretary-Director."

This is a night letter, received November 21st, to "Col. Fred. E. Farnsworth, Secretary, American Bankers' Association, New Orleans: The Atlantic City Publicity Bureau, representing the Board of Trade, Hotelmen's Association, Business Men's League and local banks, renews its invitation for holding your meeting here next year. We

would be highly pleased and greatly honored if you returned to Atlantic City in 1912. We pledge ourselves to assist you in making it a success to all concerned. Please have invitation mailed you presented at proper time and place. George S. Leonhart, Secretary, Atlantic City Publicity Bureau."

CHICAGO LIKEWISE EXTENDS AN INVITATION.

Then, an invitation from the Chicago Association of Commerce.

"The Chicago Association of Commerce cordially invites American Bankers' Association to hold their next Convention in the City of Chicago. (Signed) George M. Spangler, Jr., Manager, Bureau of Conventions, the Chicago Association of Commerce."

I don't suppose it is necessary to read the attractions of Chicago.

BOSTON BIDS FOR CONVENTION IN 1913.

"Boston Clearing House Association, November 3, 1911. At a meeting of the Boston Clearing House Association held this day, all members present, on motion duly seconded, it was unanimously voted that the Clearing House Association, through its Clearing House Committee, extend a cordial invitation to the American Bankers' Association to hold their annual meeting in 1913 at Boston, Mass. (Signed) A. W. Newell, Secretary."

"Boston, Mass., November 17, 1911.

"Fred. E. Farnsworth, Esq., Secretary, American Bankers' Association, New York, N. Y.

"Dear Mr. Farnsworth: I enclose a copy of a vote of the Boston Clearing House Association at the meeting held November 13, 1911, and in accordance I have this day mailed to you a formal invitation to hold the annual meeting of the Bankers' Association for 1913 in Boston. It was understood that the Convention is pledged to Detroit in 1912.

"We hope that our invitation will be accepted and that Boston will be chosen for the annual meeting of the Association in 1913.

"Yours very truly,

"(Signed) William A. Gaston."

Mr. Gaston is mistaken. The Convention is not pledged to go to Detroit or anywhere else; it will be acted upon by the Convention this morning.

"Boston, Mass., November 17, 1911.

"Fred. E. Farnsworth, Esq., Secretary, American Bankers' Association, New York, N. Y.

"Dear Sir: The Boston Clearing House Association extends a cordial invitation to the American Bankers' Association to hold its annual meeting for 1913 in Boston, Massachusetts.

"Very truly yours,

"(Signed) William A. Gaston,

"Chairman, Boston Clearing House Committee."

DETROIT GETS CONVENTION.

I don't seem to find in the file here the invitation extended by the Detroit Clearing House last year, or at Los Angeles, extending an invitation to the American Bankers' Association to meeting in Detroit this year, but such an invitation is on file, and was presented, signed by the Associated Banks and the Clearing House, and presented also to the Council in May. But I have letters from others in Michigan regarding this.

From the Governor of the State of Michigan:

"November 14, 1911.

"Dear Sir: In behalf of the people of the State of Michigan it is a pleasure for me to extend to the American Bankers' Association an invitation to hold their 1912 Convention in the City of Detroit.

"Very respectfully,

"Chas. S. Osborn, Governor."

And from the Mayor of the City of Detroit:

"City of Detroit, Executive Office,

"November 16, 1911.

"Mr. Fred. E. Farnsworth,

"Secretary, American Bankers' Association, New Orleans, La.

"Dear Sir: On behalf of the City of Detroit, I extend to the American Bankers' Association a cordial invitation to hold its 1912 Convention in our city.

"The City of Detroit assures you of a cordial welcome, both on the part of its citizens and on the part of its officials.

"I would thank you to place this invitation before your Convention.

"Very respectfully,

"(Signed) Wm. B. Thompson, Mayor."

And from the Detroit Board of Commerce:

"November 15, 1911.

"The Detroit Board of Commerce joins with the other city organizations in extending a most cordial invitation to the American Bankers' Association to hold their 1912 Convention in this city.

"Detroit is noted from ocean to ocean as one of the great Convention Cities in America. It has earned its reputation by successfully entertaining thousands of gatherings during the last few years. Out of this experience has come the ability to provide every element that makes for the success of public gatherings. Our hotels are veterans in the art of handling tourist and convention travel.

"The business sessions of a Convention—while of the most lasting importance—do not furnish the attraction that brings a large attend-

ance. Ordinarily, business sessions of a Convention might be held anywhere within four walls and under a roof—if the delegates were not too uncomfortable to give attention to the proceedings. But it is during the intervals in the morning, at noon, or in the evening, that the delegates divorce themselves from business absorption and expect entertainment. There is no other city in America which can provide such unusual entertainment and recreation for so little money as Detroit does throughout the summer months. As an attractive city Detroit offers the Convention visitor unexcelled advantages.

"It is our very sincere hope that your Association may accept the invitation and fix upon Detroit as the next meeting place.

"Very truly yours,

"(Signed) Lucius E. Wilson, Secretary."

"My Dear Sir: Supplementing the invitation which the Board of Commerce extended to the American Bankers' Association some time ago, I again want to urge upon your organization the advantages of Detroit as a place for your next meeting.

"At New Orleans this year, I understand, your organization is taking a side trip to the Panama Canal. Even this great ditch, with its potential effect upon American business, may never approach the importance of our own great highway of commerce—the Detroit River. Through this greatest of American waterways, there passes each year a commerce which dwarfs the Suez Canal almost into insignificance. We are proud of this river not only because of its utilitarian features, but because it has done more than any other gift of Nature to make the most beautiful Convention city of America.

"From the bankers' standpoint, Detroit is very interesting. The wonderful growth of the automobile industry in this city during the last five years is a business and banking phenomenon not duplicated in the country's history.

"Detroit will be proud to welcome America's financial genius, and this organization sincerely hopes that you will choose it as your next meeting place.

"Very truly yours,

"(Signed) Lucius E. Wilson, Secretary."

Secretary Farnsworth: As I say, the invitation from the associated banks of Detroit and the Detroit Clearing House has been presented and is on file. That invitation was presented to the Council of the American Bankers' Association at the meeting held in Nashville last May, and by the Council was referred to this Convention.

President Watts: Gentlemen, you have heard the reading of the invitations; what is your pleasure regarding them?

William Livingston, of Detroit: Gentlemen of the Convention. I have no disposition to take up your time, because of the large amount of business that still remains unfinished, but I simply want to add this to the communications which have been read, that if you will favor us by coming to Detroit, I will promise you a royal and hearty welcome. I am sure, without disparagement to any other city in America, that we have all the facilities you can imagine to give you both a profitable and enjoyable time, and I sincerely hope that this Convention will favorably consider my home city, the City of the Straits, sometimes called the "City Beautiful."

J. H. Ingwersen, of Clinton, Ia.: I move you that the invitation of Detroit be accepted and that the Convention of 1912 be held in that city.

Motion seconded.

President Watts: The question is open for discussion, if you desire to discuss it. As many as favor the adoption of the motion, let it be known by saying aye, opposed no.

It is unanimously carried, gentlemen; (applause).

William Livingston: I thank you, gentlemen.

Sol. Wexler, of New Orleans, La.: Mr. Chairman and gentlemen, in view of the importance of the report of the Currency Commission and the Bill of Lading Committee, particularly that portion which refers to foreign bills of lading, and the Central Bureau, I move that these reports be made the first order of business, after voting on the amendments to the Constitution.

President Watts: Is there a second to that motion?

R. E. James, of Easton, Pa.: I second the motion.

President Watts: The question is open for debate. Are you ready for the question? As many as favor the motion that the reports of the Currency Commission and the Bill of Lading Committee be made the order of business immediately upon conclusion of the special order fixed for eleven o'clock will say aye, opposed no. Unanimously carried and so ordered.

President Watts: The next order of business, gentlemen, is the report of Sections. The first report is that of the Trust Company Section.

Is there any officer of the Trust Company Section here with a report? If not, we will pass that for the present.

Next in order is the report of the Savings Bank Section.

Mr. R. C. Stephenson, of South Bend, Ind.: Mr. President and gentlemen, the Savings Bank Section has no detailed report to make at this time, for the reason that a report has been made and filed in the proceedings of the meeting of the Savings Bank Section yesterday and will appear in the printed proceedings.

President Watts: Without objection, the report of the Savings Bank Section will be accepted for printing in the proceedings.

The report of the Clearing House Section is next in order. Mr. C. A. Ruggles, of Boston, Mass.: The report of the Clearing House Section is as follows:

The Clearing House Section reports excellent progress for the past year. The numerical system is becoming rapidly adopted all over the country and gives promise of working great reform in the handling of transit items. During the coming year we shall continue educational work upon the adoption of Clearing House Examiner among the members of our Section. Several cities are now having the matter under consideration.

It is very likely that within the next year an active campaign will be begun in the matter of collection of checks through a country department of the Clearing Houses by what is known as the "Zone System."

The Section is in an active, healthy, condition, and is in position to further the progress of Clearing House co-operation. By many banks this Section is considered the most important in the Association, being in a position to bring about reforms in banking that will be of great benefit to the banks of this country and we propose to place ourselves in a position to merit the approval of the Association.

President Watts: Without objection, this will also be accepted for printing in the proceedings.

Next in order is the report of the American Institute of Banking.

Mr. Pierce: We have no detailed report to make. I might say that the Institute was organized ten years ago with a handful of bank clerks and with the idea of developing bank clerks from the standpoint of education. Today we have organized in the United States active chapters in most of the large cities, and we have a membership of approximately eleven thousand. Last year we graduated between three and four hundred clerks. One feature which has begun to develop in the past two or three years, is a sort of correspondence school by means of which we can instruct bank clerks in every part of the United States, so that they can avail themselves of the courses offered by the institute free of charge. The instructions being in the form of lectures and forwarded from the Secretary's office. We desire to thank the Association for the interest it has taken in the Institute.

President Watts: Without objection, this report will take the usual course.

The next order of business is the State Secretary's Section.

There being apparently no one here to report for that Section, it will be passed for the present.

The hour of eleven o'clock having arrived, the special order will be taken up, which is the presentation of the proposed constitutional amendments.

CONSTITUTIONAL AMENDMENTS.

Lewis E. Pierson, of New York: The next amendment which was proposed will be found on page 28 of the official program (reading the same).

I move the disapproval of this amendment.

F. W. Hyde, of Jamestown, N. Y.: I second that motion.

C. H. McNider, of Mason City, Ia.: I should like, as the introducer of that amendment, to withdraw it and amend it in this form:

Amend article 3, section 2, by striking from the second line: "1913," and adding in lieu thereof "1914." Also to strike from the ninth line the word "two" and insert the word "one."

I am perfectly well aware that at the present time there is no law under which our present procedure is followed. That is, there is no law saying that a man shall succeed himself in office, but it occurs to me in an association composed of twelve thousand members, that they should be given some voice in the management of the Association, and it is for that reason that I have offered this amendment. There has been a great deal of criticism passed upon this Association because of this rotation in office of a favored few, and I think the best way to dispel that criticism is to adopt this amendment.

William George, of Aurora, Ill.: I second the motion to that amendment.

Hiram R. Smith, of Rockville Center, N. Y.: I have just come from a meeting of the Nominating Committee. I was elected its chairman and I want to say to you in respect to this gentleman who has just spoken that the committee went into the session absolutely untrammelled and the ticket that will be presented to you this afternoon, if you don't like it, why then you have the right to make any nominations you like from the floor. We do not have to nominate the chairman of the Executive Council or the Vice-President, for President. You can nominate whom you choose; you are not tied down to the nominations presented by your committee.

Myron Campbell, of South Bend, Ind.: I think we would be establishing a dangerous precedent if we took from this body the right to choose at any time any man who is qualified for any office that it has to fill. The constitution of this organization as it now stands covers every emergency, I think. There is no reason why the nominating committee should select the chairman of the Executive Council as Vice-President, unless the committee considers him qualified for the position. Nor is there any reason why they should select the Vice-

President for President, unless they think he is so qualified for the position.

Mr. Chapman: I have been on the committee to revise the constitution of this Association. I have been on the Executive Committee; I have been on the Nominating Committee, and if these gentlemen do not know, they ought to be informed that the common law was handed down to us from custom. Custom makes the law—

Mr. Dismukes: I rise to a point of order that the question before the house is the amendment and not the merits of the main question.

Mr. Chapman: Well, I have finished with what I had to say, anyway.

H. S. Fletcher, of Watsonville, Cal.: I want to say that the amendment to our constitution puts me in mind of the epithet which I recently read, which ran thus: "I was well; I wanted to be better; I went to a doctor; I am dead." (Laughter.) The American Bankers' Association is the most powerful body of the United States, in many respects; and it has attained that position through the present procedure which it follows in the election of its officers, and I hope the present method will continue.

Robert E. James, of Easton, Pa.: I do not rise to discuss the merits of this question, but merely to call the attention of the Chair to the fact that the question before us is not a motion to adopt, and it is not a motion not to adopt; it is a motion not to concur, which will be ineffective and will produce no result, and after we get all through talking we will have to begin over again in order to reach a result.

Mr. Gurney: I rise to say a few words in opposition to this amendment, and I am loath to do so because it has been offered and presented by friends and neighbors of mine.

I am impelled to oppose it because I do not believe it is to the best interests of the Association, nor even in the interests of the gentleman who offered it. It says that no official may be re-elected to his office. Well, that is not so bad. Then it adds: Nor may he be elected to any other office until after a period of a year shall have elapsed. In other words the men who champion this resolution would accomplish a reform by prohibiting promotion. Therein, I differ with them. I believe we should promote promotion (applause). When we find a good man in our business, we promote him. We do not go outside and take in a new man who is unlearned in the business and put him in the highest office.

T. J. Davis, of Cincinnati, O.: Like the last gentleman, I am rather disinclined to take sides against this amendment because I have friends who are in favor of it. However, a little difference of opinion is a good thing sometimes for an organization. I am opposed to this amendment, because I think it is wrong in principle. I do not think that we ought to disqualify any member of this Association from holding office, and that is just what this amendment would do.

Mr. Bailey: If I am in order, I would like to move an amendment to the amendment, namely: Strike out from the amendment "no officer of this Association, except the General Secretary, etc., etc., shall succeed himself," and then insert, "The Vice-President shall not succeed himself in office or be elected to any office in this Association for the period of one year following the expiration of his term of office."

(Cries of "no" "no.")

Is there any objection to my offering that, Mr. President? Is it in order?

President Watts: The Chair would rule that it is in order, if the gentleman cares to press it.

By Mr. Bailey: All right, sir.

President Watts: Is there a second to the amendment?

Mr. Bailey: Yes, I have got a second over here; I attended to that.

A Delegate: I second the amendment.

President Watts: The question is on the adoption of the amendment pressed by Governor Bailey.

A. J. Frame, of Waukesha, Wis.: I am as patriotic as any man in this audience, and am proud of this Association, but I must say, that I think there are those in office in the Association who want to stay in office, and, of course, I recognize the fact that there are those on the outside who want to get inside. Now, I have been on the Nominating Committee, and I know how things are run there. One man will get up and say: "I move that we nominate so and so"; another man says: "I second the motion." And then the chairman says: "All in favor of the motion say aye," and they all vote aye, and then they adjourn. Why, it is simply a farce from beginning to end.

A Delegate: I call the gentleman to order. He is not discussing the question before the house.

R. Griffith, of Vicksburg, Miss.: All change is not reform. Now, if we are doing well in this Association, why the necessity for making any change? I beg the members of this Association to leave our constitution as it is without further amendment. (Cries of "Question," "Question," "Question.")

SOL WEXLER AND BILL OF LADING CHAIRMAN.

Sol Wexler, of New Orleans, La.: Mr. President and gentlemen, growing out of the usurpation of authority, on the

part of the party that has been in power for so many years in our legislative affairs, there has grown up what is known as "Insurgents." Now, insurgents are of two kinds. One kind is ready to oppose anything and everything; good, bad, and indifferent; the other kind rebels against a minority controlling the majority. Now, to the latter class I belong. Six years ago when this Convention met in St. Louis, it was controlled by a small group of men bounded on one side by the Atlantic Ocean, on the North by the Great Lakes, on the West by Iowa, and on the South by the city of Pittsburgh, and the rest of the members of the Association had absolutely nothing to say. At that time I arose in opposition to the existing method, and my views prevailed and a different method came into vogue. Now, at the present time, a very similar condition exists, only the boundaries have been slightly moved and extended—though not very far. At the present time, the control centers around Chicago, and extends as far south as a moderate sized town in Tennessee—(laughter)—and still includes one very prominent gentleman from New York.

Gentlemen, I claim that there is just as much ability scattered throughout the various States of the West and the South and the Middle West as there is in any particular section. What we ought to do is to have men elected to office who are qualified to fill the office. Do not elect a man simply because he happens to represent some big bank. Why, what was done by the Bills of Lading Committee? They appointed a sub-committee on foreign bills of lading, and they put a man on it from Grand Rapids, Mich., who probably wouldn't know the difference between a set of foreign documents and the *Saturday Evening Post*. (Prolonged laughter and applause.)

J. M. Elliott, of Los Angeles, Cal.: I call the gentleman to order. He is not discussing the question.

Sol Wexler, of New Orleans, La.: Gentlemen, I am about through. But before I take my seat, I want to say this: If you do not do something of this kind, and cut out the politics there has been existing in this Association in latter years, you are going to dismember it. Why, the Trust Company Section today is talking about withdrawing from this body; and I say to you that you will have a Western association, perhaps, or a Southern association, or somebody will be withdrawing and forming a new association.

(Cries of "Question," "Question," "Question.")

President Watts: The question stands in this form, gentlemen. A constitutional amendment has been proposed by Mr. McNider. That was offered in the constitutional way, and having had the notice duly given. That amendment was referred to a special committee appointed by the Executive Council. That committee reported back to the Executive Council, which, in return, has recommended to this body that the proposed amendment be not adopted. In accordance with that report, the chairman of the committee has moved that the amendment pressed by Mr. McNider be not adopted; that it be rejected.

The motion before the house is, therefore, in this form, that if you vote "No," the effect of it will be to adopt the amendment.

All in favor of the question as the Chair has stated it, will say aye; opposed no.

The result being in doubt, a division was called for, and the chair appointed as tellers Mr. Gurney, of Nebraska; Mr. Davis, of Ohio; Mr. Fletcher, of California; Mr. McNider, of Iowa; Mr. Wexler, of Louisiana, and Mr. George, of Illinois.

President Watts: Gentlemen, the tellers have made the count of the vote, and the Secretary will announce the result:

Secretary Farnsworth: The tellers report as follows:

Total number of votes cast, 392.

Those voting in favor of the amendment, 227; those voting against the amendment, 165.

President Watts: A two-thirds vote is required under the by-laws to carry an amendment to the constitution. As two-thirds would be about 261, the Chair declares the amendment proposed by Mr. McNider lost.

L. E. Pierson, of New York: The next amendment was proposed by Mr. Watts, and is to amend the first clause of section 6 of article 4, which is also found in the official program, and I will not read it, but will simply state that the purpose of this is to make clear beyond question, which is not clear today, that the Convention can at any time name the membership of any committee and delegate any duty to them. This has met the approval of the Executive Council, and I therefore move its adoption.

Mr. Chapman: I second the motion.

President Watts: All in favor of the motion will say aye; opposed no. (Carried.) It is adopted.

L. E. Pierson, of New York: The next proposed amendment was prepared and submitted to the Executive Council by Mr. William George. Subsequently Mr. George consented in the committee to the withdrawal of his amendment and the substitution of one which would seem more clearly to define the membership and the duties of the committee.

William George: I consented to the withdrawal of my resolution, because the Executive Committee thought what I had in mind should be better effected by a by-law than by having an amendment to the constitution.

PROPOSAL FOR INVESTMENT BANKERS' SECTION TO COME UP IN 1912.

L. E. Pierson, of New York: Then, we offer what appears on page 29 of the official program, providing for the institution of a new section of the Association to be known as the "Investment Bankers' Section." (Reading.)

J. M. Elliott, of Los Angeles, Cal.: I move that that be deferred until the next annual Convention of this Association, and that, in the meantime, the subject matter of the proposal be considered by the Executive Council.

(The motion was seconded and carried.)

President Watts: The next matter that the Convention is called upon to consider is the report of this committee appointed by this body and as a result of whose work a crystallization of thought among the bankers of the country has taken place. Gentlemen, it is now in order to listen to the report of the Currency Commission, which will be read by Mr. Perrine, of Indianapolis, Ind.

John Perrine, of Indianapolis, Ind.: Mr. President and gentlemen. This report was handed to me by Mr. Forgan, the Vice-Chairman of the Currency Commission, who was compelled to leave yesterday for home, and he asked me to read it. The report is as follows:

Report of Currency Commission.

[For Report of Currency Commission see page 180.]

President Watts: What is the pleasure of this Convention, with reference to the report?

On motion of Mr. Hamilton, of Illinois, seconded by Mr. Robinson, of Maryland, the report was adopted.

ALDRICH MONETARY PLAN APPROVED.

President Watts: The Secretary has a resolution which was unanimously adopted by the Executive Council, and recommended to the Convention, which I will ask him to now read.

Secretary Farnsworth: The resolution to which the President has referred, reads as follows:

"Resolved, That the American Bankers' Association hereby gives its unqualified approval to the revised plan proposed by Hon. Nelson W. Aldrich, Chairman of the National Monetary Commission, for the establishment of a co-operative agency of all the banks to be known as the National Reserve Association of the United States.

"We are confident that the high purposes actuating the National Monetary Commission assure the working out of the details in accordance with the sound principles stated in the plan, in such a manner as to gain the confidence and support of all classes.

"A sound banking system will benefit the entire community and is, therefore, non-partisan. We urge Congress to so regard it and to deal with it as an economic question outside the domain of party politics.

"Resolved, further, that the officers of the Association, together with the Currency Commission of the American Bankers' Association, are hereby instructed to submit the Association's approval of the principles of the plan to the National Monetary Commission, and to the committees of Congress to whom monetary legislation is referred."

President Watts: What is the pleasure of the Convention with respect to this resolution?

Mr. Preston: I move that it be adopted.

The motion was seconded.

Myron Campbell, of South Bend, Ind.: It seems to me there are some things in that resolution, if we adopt that bodily, that this Association might care to take into consideration. At least, I feel that it is giving its unqualified approval to all that Senator Aldrich has recommended; that one thing Senator Aldrich proposes to do under this bill is to permit the national banks to do a savings bank business, and I think several States have come to an understanding with them and a good many of them might hesitate to adopt that. If this is adopted, I would ask permission to introduce after that, two resolutions, one of which is—I am not offering these now, but I would like to have an opportunity to do so later—"Resolved, That it is the sense of this Association that all legislation intended for the betterment of national banks should be for the equal protection of all deposits and depositors and that we do not recommend the enforced segregation of savings deposits in such banks."

And the other is, "Resolved, That it is the sense of this Association that legislation should be speedily enacted that will permit national banks to loan a part of their funds on notes, bonds, and other evidences of debt secured by mortgage on real estate."

If this resolution is passed, I would like permission to offer both of those resolutions.

President Watts: Gentlemen, all in favor of the resolution submitted to the Convention by the Executive Committee will say aye; opposed no. (Carried.) The resolution is adopted.

John L. Hamilton, of Illinois: I suggest that Mr. Campbell prepare his resolutions and get them in proper shape, and then hand them in to the committee, where I am sure they will receive proper consideration.

President Watts: Yes, the Chair thinks so, too, and would

suggest to Mr. Campbell that he do that. Gentlemen, we will now take a recess until half past two o'clock.

RECESS UNTIL 2:30.

AFTERNOON SESSION.

President Watts: The report of the Bills of Lading Committee is next in order.

Joseph Chapman, Jr., of Minneapolis, Minn.: I ask unanimous consent that we take up at this time the recommendations included in the President's address, regarding the agricultural work being done in several associations in this country; it will not take more than five minutes.

MOVEMENT TO PROMOTE AGRICULTURAL DEVELOPMENT.

President Watts: Is there any objection? There being no objection it is so ordered.

Mr. Chapman: Several of the Western States now have what is known as Committees on Agricultural Development, and, at a conference held in Minneapolis in October, there were eighty delegates who came to discuss the agricultural development in the United States. The conference was a very interesting one, 10,000 copies of the proceedings being printed and distributed. Now, I deem this a matter which can well be taken up by the American Bankers' Association, and, for that purpose, I offer the following resolution:

Resolved, That the American Bankers' Association heartily endorses the movement started in several State Associations looking towards improved agricultural methods, better farm life conditions and agricultural demonstrative work;

And be it further Resolved, That the President of this Association appoint a committee of seven to be known as a Committee on Agricultural Development and Extension, to assist in this magnificent work.

Sol. Wexler, of New Orleans, La.: I second the adoption of that resolution.

Myron T. Herrick, of Ohio: I would ask Mr. Chapman to include in the wording of his resolution, after the word "agricultural," the words "and financial."

I have found in France, Germany, Austria and in Switzerland that they have a system of farm financing, which has resulted in putting the farm security on a par in the markets of the different countries with municipal bonds.

Mr. Chapman: I am willing to accept the suggestion of Gov. Herrick.

J. H. Ingwersen, of Clinton, Iowa: I would also suggest to Mr. Chapman that he provide in the resolution that the membership of the committee to be appointed shall be taken from the members of the Executive Council.

Mr. Chapman: I do not think I can accept that, for the committee might continue for some time, and the members might not be continued as members of the Executive Council.

President Watts: The question is on the resolution offered by Mr. Chapman, he having accepted the suggestion made by Gov. Herrick.

All in favor of that resolution, with Gov. Herrick's amendment in it will say aye; opposed, no. (Carried.)

We will now take up the report of the Bills of Lading Committee.

Report of Bills of Lading Committee.

[We print this report on page 173.]

President Watts: The Report of the Bills of Lading Committee is before you, gentlemen, and Mr. Kent has the floor.

S. I. Kent, of New York: Mr. President and members of the American Bankers' Association. Mr. Clay Hollister, the efficient Chairman of the Bills of Lading Committee, is, unfortunately, unable to be here today, owing to death in his family, and I have the honor of being called upon to read his report. It is with pleasure that the Bills of Lading Committee can today present its annual report.

(Reading the report.)

Myron Campbell, of Indiana: Before any action is taken on this report, in view of the statement made as to Mr. Hollister's absence, that it is by reason of death in his family, I move that the Secretary be instructed to convey to Mr. Hollister our sincere sympathy in his bereavement which has kept him from being with us.

Sol Wexler, of New Orleans, La.: Mr. President, I would like to have the pleasure of seconding that motion.

President Watts: Gentlemen, you have heard the motion that the sympathy of this convention be extended to Mr. Hollister in his bereavement. All in favor of the motion will say aye; opposed, no. (Carried.)

(At this point the President asked the Vice-President to take the Chair, and Vice-President Livingston took the Chair.)

Chairman Livingston: What is the pleasure of the convention with respect to this report?

DISCUSSIONS REGARDING CENTRAL BUREAU PLAN.

Sol Wexler, of New Orleans, La.: The fact that a committee located in Liverpool has the right to organize a bureau in the United States cannot be in any sense doubted, but that they have

the right to enlist the assistance of the American Bankers' Association, through a sub-committee of the Association which did not entirely represent the entire American Bankers' Association, is to my mind not correct. It is lending the assistance of the association to a matter which does not concern it, and should not have been acted upon without representation on the part of all those members of this association who might be affected by the action of the committee. I have no quarrel with the association, with the Liverpool Cotton Conference Committee, or with the railroads, but I maintain that in a matter that immediately concerns a large section of this country, the matter should be left over until it could be submitted to all sections of this country and especially to all the members located in the Southern and cotton growing States. That was not done until after the matter had reached the stage where it was about to be put into operation, and at that time, after protest had been made on the part of the Louisiana members to the Executive Council at the Nashville meeting, then some Southern bankers were invited to meet the gentlemen in New York City who had the matter in hand, and at that time we had the first opportunity of voicing our protest to the proposed scheme. Subsequently to that Mr. Haight came to New Orleans, at his own request, to state to us that the matter had reached a definite conclusion and that there was nothing for us to do but to accept it. He was very courteous in his explanation of the plan, and endeavored to remove the objection raised on the part of the Southern cotton interests. About the 1st of September a letter came from the Cotton Bills of Lading Committee of the Liverpool Cotton Conference, showing that the American Bankers' Association had in a measure committed itself to this plan. The letter, accompanying this, addressed to cotton shippers, also made reference to the approval of this association of the plan. The matter had reached such a stage as to be deemed very serious on the part of cotton producers, cotton shippers and bankers. So that a meeting was called in the city of New Orleans to protest against the establishment of a certain bureau along the lines proposed, and at this meeting there were represented the largest exporters of cotton and the largest Southern cotton houses. Among those represented was the Houston Cotton Exchange and the Board of Trade passed a resolution against it. The Savannah Cotton Exchange also opposed it. The Vicksburg Cotton Exchange and the Memphis Cotton Exchange opposed it.

Now, you will naturally ask why it is necessary that we establish a bureau in the city of New York for the validation of cotton bills. Up to the time of the failure of Knight-Yancy and Steele-Miller there was no effort made to have established any bureau of this kind, or any complaint of losses sustained from forgeries. In fact, during the twenty years preceding these two failures there were exported from the United States six thousand millions dollars' worth of cotton without one dollar having been lost through a forged document. I defy any gentleman to point to any branch of the cotton business, or any other line of business, in which such a small loss has been sustained on such an enormous volume of business. It is true that these two firms inflicted upon the cotton trade and bankers in Europe and America losses amounting to about \$6,300,000, but what was the history of these two firms? One of them, Steele-Miller & Company, located in Mississippi, according to the testimony of a member of that firm here, stated that they started in business in 1907 with a capital of \$10,000, which was embezzled from a former employer. Upon that sum of \$10,000, in 1908, they did a business of nearly 200,000 bales of cotton, or \$16,000,000 worth, and they had no difficulty in selling their bills of lading, or in selling their cotton abroad. Why did they sell that much cotton abroad? Because they sold it from an eighth to three-eighths of a cent a pound less than any other legitimate dealer could afford to sell it for, and during the same period they were buying cotton at higher rates than any other legitimate dealer could afford to pay for it. The foreign buyers were informed of these facts, but they said they were satisfied with it and they were going to continue to buy. They never considered that buying gold dollars at 105 and selling at 95 must ultimately inflict a loss upon somebody. The history of Knight, Yancy & Company was this: They would sell a thousand bales of cotton for delivery thirty, sixty and ninety days ahead of a stipulated grade. They would draw their draft within thirty days for the amount of the invoice, which they made up and attached to a forged bill of lading, and would negotiate this usually through a New York exchange broker, who in turn sold it to a New York bank. When the cotton failed to arrive and the foreigner wrote to know why it didn't arrive, they would give some excuse and ask for a little further delay. In the meantime they would negotiate another set of fraudulent documents, and with the proceeds of those they would proceed to buy the actual cotton of about the grade they had sold, or a little better grade even, and ship it and suppress the genuine document and allow it to be delivered on the forged document. Eventually it had to come to an end. It could easily have been ascertained if these documents were forged, because the cotton did not come forward under the original stipulation upon the forged documents, but upon the weight that the actual cotton happened to be. It also came from different points than it was supposed, and stated to be shipped from. But the greed for a little additional profit in the handling of this business induced these gentlemen to continue in it. After these frauds

were discovered, instead of coming here and immediately denouncing the thieves, they allowed them to go, perhaps in the hope that they might be able to negotiate some more documents and then be enabled to ship them their own cotton.

The principle underlying this whole thing is this: Is it right to stigmatize every man engaged in the exporting of cotton, in the handling of cotton bills of lading, because two firms who were never entitled to credit did wrong? Is it necessary to establish a bureau where every man who ships cotton from the Southern States is compelled to come forward and be examined for the purpose of ascertaining whether or not he is a crook? I claim that a business in which the volume transacted during a period of twenty years has been as important as this, in which more losses have been sustained, certainly does not make it necessary for any drastic proceeding of the kind here contemplated.

The next question to be considered in connection with this business is this: What would be the effect of this central bureau? A cotton shipper presents to his bank a draft with bills of lading attached, the first question naturally asked is: Upon whom is this draft drawn? Assume that it is drawn upon a first class banker in Liverpool, or in London, then the next question is, Has this man given authority to draw upon him? Has the credit been established? All that the foreign banker must do is to satisfy himself that the man he is dealing with here is an honest man.

Now, gentlemen, if you want to go into the business of general validation of grain, as well as of cotton, we are willing to go into it as far as the rest of you. As it now stands, the validation plan is a stigma upon a particular line of business, and we are opposing it on this principle. The buying of exchange is simply giving credit. If you do not know with whom you are doing business, you are likely to be robbed. Ought that robbery, though, to rob you of your confidence in honest men with whom you do business?

Another thing is this. This Central Bureau plan is being supported and forwarded in the interests of the railroads. The railroads have established this bureau, and they are paying the expenses of it. And they are not doing that out of generosity, but because the successful operation of the bureau plan would destroy the necessity for making them responsible for the acts of their agents.

I make the uncontradicted statement that many of the bankers in New York have been coerced in falling into line with this Haight Bureau scheme, and I know that there are many New York City bankers who are really opposed to the plan. But the iron fist has come down on them. (Applause.)

If the New York bankers are afraid to buy cotton bills, why, let them buy demand checks of Southern banks. Why should you buy bills of exchange? You are paid for taking that risk, but if you do not want to take that risk you can demand checks at 1-32 of 1 per cent.

The Liverpool Cotton Conference must not be allowed to spread its tentacles in this country, and this is really the beginning of that attempt. The minute you let the Liverpool Cotton Conference interfere in this matter you open the doors for interference in our grain trade and in other lines of trade. We require that they give us paper. If they do not want to give us that paper they can send over the cash. We are not worried about their threat to stop buying our cotton. If they stop buying our cotton their mills will have to close down and their labor will be thrown out of employment and a state of anarchy will prevail in England.

Now, Mr. President and gentlemen, I desire to offer a resolution, which is a resolution that has been passed by all the Southern Cotton exchanges, protesting against the putting into effect of the Central Bureau plan.

Whereas, An organization of foreign cotton buyers and bankers, in combination with certain banking interests in New York City, has undertaken to dictate to Southern cotton shippers and bankers, without the consent and over the earnest protest of the latter, the method of billing export cotton and the terms upon which the same shall be financed; and

Whereas, In the furtherance of said scheme, the said organization and combination have formulated a plan involving the certification of all export cotton lading documents through a central bureau located in New York City, the object of which plan is to secure to the said interests represented by the said organization and combination an extraordinary and unique insurance against the results of their own negligence in dealing with irresponsible persons and firms; and the effect of such plan, should it become generally operative, would be to confirm the common carriers of cotton in their indefensible attitude of denying liability for the acts of their own authorized agents. Now therefore, be it

Resolved, That although we deplore the losses entailed by the fraudulent practices of two certain cotton firms in the recent past, and although we are in favor of any just and legitimate reform in the method of billing and forwarding cotton, still the central bureau plan in question, both in its original and amended form is hereby condemned as being repugnant to sound business principles, in that it proposes to invest bills of lading with a status entirely independent of considerations of the character and solvency of the shipper, discriminatory in that it imposes burdens and hard-

ships upon the cotton exporters and possibly costs upon the cotton producer, from all of which the shipper and producer of every other commodity is free; offensive to reputable and honorable business men in that it assumes that all cotton shippers are dishonest until the New York validating bureau has pronounced them otherwise; and finally, the fiat of the central bureau certifying to the virtue of genuineness of signatures would place dishonest shippers in a position of vantage from which they could practice a multitude of collateral irregularity pregnant with greater injury to the cotton trade than the isolated danger of forgery. And further

Resolved, That this Association opposes the said central bureau plan as a reflection upon the honor of the Southern cotton merchants and upon the rights of the Southern cotton trade.

(President Watts here took the chair.)

President Watts: The chair must rule, Mr. Wexler, that your resolution is out of order, because no resolution can be presented to this body without first having been submitted to the Executive Council in a constitutional way.

There are two ways, however, in which it may come to the attention of the convention. One is by unanimous consent, and the other is by a two-thirds vote. That is the law of the Association, and the chair so rules. What is the pleasure of the convention?

Mr. Wexler: In view of the fact that the Executive Council of the American Bankers' Association has in a measure acted upon this and have full advice upon the subject, it appears to me that it is proper to bring this up at the present time without going through the usual constitutional course.

President Watts: Whatever the personal views of the chair may be, it cannot override the mandates of the constitution of the Association.

George M. Reynolds, of Chicago, Illinois: Inasmuch as I regard this as one of the most important subjects before us, I ask unanimous consent that the matter be considered now.

President Watts: Is there objection? If not, unanimous consent will be given. The chair hearing no objection we will proceed to consider the matter now. Mr. Kent has the floor.

Mr. Kent: Mr. President and gentlemen of the convention. Having partaken of the wonderful hospitality of the gentleman from New Orleans, it would be my wish that I might say to our friend Mr. Wexler, "Thy will be done" and drop the matter there. Unfortunately, that is beyond our power at the moment without further consideration. There is a third party, an innocent third party, who must be considered. Mr. Wexler's speech has been very interesting, but it did not take up the matter from every point. After the Knight-Yancy failure and the Steele-Miller failure what happened? You were so disturbed that there was a question whether they would accept our cotton bills. The Southern cotton shippers came to New York and wanted to know whether they could float their bills. The Southern bankers took it up with the New York bankers also. New York said we may not be able to buy your bills because if the European bankers will not accept those bills we will be carrying an unknown burden. If we buy bills at sixty days' sight on Liverpool we agree with a foreign discount company to discount those bills on arrival. If those bills are not accepted on arrival we must furnish that Discount Company with other bills, in order to keep our agreement with them. Again, in order to buy further bills we must be able to sell the demand here by proceeds of the discount. If we sell demand made by proceeds of the discount, then when the bills for discount reach the other side we are unable to discount them, and we must cover those demand bills. In other words, there are tremendous costs involved in addition to carrying the cotton. But New York said: While we could not buy those bills, we will co-operate with the South and help you to carry your cotton; we will put money aside and draw and help you until this thing blows over. Then the foreign bankers said: That the American bankers must guarantee the integrity of every bill of lading. That meant during the course of sixty or ninety days every banker would have many times his capital represented in a contingent liability that they would be under the necessity of guaranteeing the bills of lading. That was impossible. The question was what would be possible. We had found out that one thing was possible, and that was that any one who might come there to trade in cotton bills from Europe, or from any part of this country, could after he had established his credit take our money without our knowing it. It does not make any difference whether we financed six billions or one hundred billions to move these forgeries, but what does matter is that those forgeries showed us that we were under a great danger, and that any one could float bills of lading and could stick any of us. There was a temptation to every man shipping cotton, if he was subject to temptation, and this does not hit the honest man—to raise money by means of forged bills of lading. Why? Because he knew positively and absolutely that there was not an exchange buying bank that had any means of checking up those documents. I admit that the foreign buyer should be more careful. This Central Bureau will make him more careful. There is two ways that a dishonest cotton shipper can obtain money fraudulently. First, by means of false bills of lading, and secondly, by shipping short weight or by shipping rags in place of cotton. When the opportunity to forge bills of lading is taken away, there is one thing left. Who would get stuck under that?

The foreign buyer. If the foreign buyer buys cotton of a dishonest shipper and he ships him bad cotton, he may never receive the shipment until after he has paid the bill drawn against him. The American buyer of foreign exchange, on the other hand, must be exactly as careful as he always has been. It will not make it any safer for him to buy than it has been in the past, because no bureau will check up the standing of that man and say to the buyer of foreign exchange that he must make a bona fide shipment. The dishonest shipper might draw on a foreign banker when he had no authority to. Every buyer knows that he is always subjected to that danger. He knows that if he buys a bill drawn upon a foreign bank that it will be refused. Consequently, he is always going to be subjected to that danger. So that it will not cause an American exchange buyer to be any more careless than he has been in the past. It is easy to say that every one knew that Knight-Yancy and Steele-Miller were not honest firms to trade with. Yet people lost six million dollars through them. Who were they? They were foreign buyers of cotton, American buyers of cotton, and American buyers of foreign exchange—cotton shippers down in the South sitting side by side with those people, who had made contracts, and, in order to carry them out, they had bought cotton of Knight-Yancy and Steele-Miller and lost their money. I wrote at one time to a banker concerning the standing of Knight-Yancy and the reply came back in effect that it was an honorable concern of long standing, whose bills had always gone through properly. Now, while Knight-Yancy and Steele-Miller caused losses amounting to over \$6,000,000, yet during the five years that they carried on these forged documents it is estimated that they floated about \$30,000,000 on forged bills. We put up on every transaction safeguards, since we find that it is a dangerous system in any sort of business, and it is the same in this case. We did not establish a central bureau before we knew what the danger was. After we knew what the danger was we tried to meet the point. We did not try to apply this plan to the corn crop or to other commodities. Cotton is shipped during the course of a short time to the amount of \$500,000,000. It is due to the great congestion that that proposition is such a dangerous one. In trying to protect ourselves from that danger we are not passing any stigma upon any honest cotton shipper. It is not for us to determine here what action the shipper shall take. The Liverpool Cotton Conference in taking up this matter had to consider what their duty in the premises was, and they thought it best to take this matter up with the cotton shipper and prove to him that the system was of value to the cotton shipper. If the Liverpool Conference cannot prove that it is so, why the cotton shipper will not avail himself of the system, and that will be another matter. It is a question between the buyer and the seller. The buyer is willing to try and satisfy the seller that this system will be good for him. The year before Knight-Yancy failed a cotton shipper in the South who was trying to buy cotton was unable to get more than 200 bales. Why? Because Knight-Yancy were buying cotton with other people's money, and they could pay any rate for it, because the money cost them nothing.

Now, our position before the foreign bankers and the foreign cotton buyers is this: They presented to one of your committees in December, 1910, a plan which they thought and hoped would be of value to all concerned, a plan which was aimed not at any honorable men in the North or in the South or in any other place, but was aimed at the dishonest man. That plan was presented to this committee, and that committee was asked whether it would approve of the plan or not. After examining the plan the committee stated that it seemed to be a good one, although in some details it was not satisfactory.

Liverpool was willing to correct those details. It came to us in February to try and see what could be done to place the plan in operation. An agreement was made with the railroads, and two-thirds of the cotton carrying roads agreed to this, but they did not fall over themselves to do it, as it might seem from what we have heard. One reason why this plan is of value to the railroads is this: If the Stevens Bill passes, the railroads will be responsible for the acts of their agents. Today they have no means of checking up the acts of their agents. Under the central bureau plan every railroad is notified of the issuance of every bill of lading by any of its agents through a special agent appointed by the railroad to receive those notices. Consequently, every road is in a position to check up the acts of its agents. Therefore, the railroads should not oppose the Stevens Bill as they have in the past.

The whole matter was presented in the Liverpool cotton conference by a sub-committee to the regular bills of lading committee which was supposed to be representative. The regular bills of lading committee examined the system and approved of it. They reported to the Executive Council, and the Executive Council approved it. It was not until then that the Liverpool cotton conference acted. But the Liverpool conference was asked to eliminate a number of features in the original plan to meet the ideas of American interests. Liverpool, when this plan was presented as it had come from the Executive Council, approved the plan; they allowed every request that we made, and they said if when you start in with this there are any objections that you want to make, why, we are willing to meet those objections. On that account we

established this central bureau plan. The first circular sent out undertook to have an acknowledgment sent from the central bureau to the bank applying to the bureau for information. The New York banks demanded that that acknowledgement be eliminated, and that any banker be permitted to go to the central bureau and check up the document that wished to do so. The New York bankers asked that because they saw that the banks of the South must be protected. Every Southern banker ships foreign exchange to New York and expects to get currency from New York from the proceeds, and must know that his bills are going to be paid. If those bills of the Southern bankers went to New York and the New York bankers had to hold them until they were checked up it would be impossible for the Southern banker to work intelligently, and he might even be forced into bankruptcy because of having such an accumulation on his hands. The New York bankers recognized the fact that the Southern bankers must have their bills paid in New York on the day of presentation. Consequently, the New York bankers said: We must not permit the bankers from any section of the country to go to the central bureau and have these documents checked up before we pay for them. In other words, we are willing to take the chances of loss on this bill and that bill that we buy, knowing that it is going to be checked up, and that if it is a forgery the forger will be caught in a few days, rather than force the Southern banker to have any question as to whether his bills will be paid. The New York banker knew that no shipper who might be inclined to raise money fraudulently would be tempted to forge bills of lading and negotiate them when he knew that the forgery would be detected in two or three days. As it is now it takes two or three years, or five or six years sometimes, to catch them. One other reason why the New York banker would not allow the central bureau to advise him whether a bill was good or not, was to protect the Southern shipper. We put that up to the Liverpool conference and they agreed to it. The Southern shipper might have his credit injured if acknowledgments were sent out from the central bureau, because in case of an error on the part of some railroad agent, a bill might have wrong marks or numbers upon it and the central bureau would have to take two or three days to check that error up. That would be an impossible system. Under this system that cannot happen, because the central bureau is not authorized to give out any information to any bank except when absolute fraud or forgery has been found. The central bureau has to trace the cotton and correct every error in the bill of lading before it can report, and then it could not report unless there was fraud. The address of the central bureau is New York City only because the company that was willing to handle it without cost has an office in New York. But you can see that the central bureau is of no more value to New York than to any other city, because New York must take up the notices and mail them every night to the central bureau the same as every other cotton buying center, and if there is an error New Orleans, St. Louis or Chicago would be advised immediately by telegram. I mean, in case there was fraud.

The central bureau has been established along every line that has been found necessary in order to make it fair to all concerned. The American Bankers' Association has through its Executive Council agreed to certain things with the Liverpool cotton conference. The Liverpool cotton conference did not go on with this until the American Bankers' Association had acted. Now after the Association has acted, and after Liverpool has acted, we do not wish to put ourselves in the position of men without honor and say to the Liverpool people: You have established something wherein we co-operated with you, but now before you have an opportunity to get it in working order we will repudiate it. If we take that position we will lose our integrity before the world. That cotton conference was authorized by every foreign body. If it cannot convince the shippers that it is a good thing for them, why, the central bureau will never develop any farther than it has already. If it does convince the shipper that the plan is of value then it will go on. Our work is done. There is nothing for this Association to do, unless we say to the shipper: You gentlemen know your business. Why not let the shipper decide for himself what is best for him to do? We have established the machinery that will enable him to partake of the system if he wishes to. Why not leave it to him to decide one way or the other?

Gentlemen, I have talked at random, but I have tried to give you as much of the history of this matter as I could without going into detail. I met a gentleman from Texas day before yesterday, one of the brightest bankers in the State, and I explained to him the whole detail of this plan, and he told me that he had had no conception of it before. That is the trouble. We have been so taken up with manufacturing sentiment on this question that we have not considered the plan itself. I am willing to go before any committee of Southern men and explain this system to them in detail. If they can show me that it is not all right for them, or if they wish this or that done, I am positive that the Liverpool cotton conference will endeavor to meet their wishes. We are not trying to ram anything down any one's throat. (Applause.)

Myron Campbell, of Indiana: I think we will all agree that the Legislative Committee has made a very exhaustive study of this subject, and I think we all must admit that Mr. Wexler is high authority on the subject. For my own part, I am entirely willing to admit that I am not prepared to vote intelligently on this question after hearing the speeches on both sides. Therefore, I think Mr. Wexler's resolution and the report of the Committee should be referred to the Executive Council for their further consideration. I do not feel like making a motion to that effect, because I have no particular interest in the subject, but that is what I think ought to be done.

A. Breton, of New Orleans, La.: Mr. President, and gentlemen, I desire to say a few words on this matter. I do not rise to criticize the Committee, but I believe that many mistakes have been made with regard to this bill of lading matter. In the first place, it was an oversight to have a sub-committee appointed composed only of New York bankers. In the second place, a mistake was made in having that sub-committee report to the Executive Council without giving the Southern interests a chance to be heard. The Louisiana Bankers knew nothing of the contemplated establishment of a central bureau until they read of it in the newspapers while they were holding their State convention, and then a protest was wired to the Executive Council in session at Nashville, by the Louisiana Bankers' Association, of which I was president, but no attention was paid to this protest.

So far as the modification made in the plan as originally proposed, pointed out by Mr. Kent, they were only made after Southern interests had insisted that they should be made.

J. H. Fulton, of New Orleans, La.: I would like to second Mr. Wexler's resolution. It seems to me that this Association is being dragged into the matter and asked to pick the chestnuts out the fire. I do not see wherein it protects American Bankers. It is like locking the stable door after the horse is stolen, so far as the Southern bankers are concerned.

BILLS OF LADING COMMITTEE ENLARGED.

Lewis E. Pierson, of New York: I offer as a substitute that the report of the Committee be received and the Committee continued, and that its membership be added to by the president appointing two bankers, one from New Orleans, to be Mr. Wexler, and the other also to be from a cotton growing State.

President Watts: The Chair will appoint as the Committee on Agriculture, the following gentlemen:

COMMITTEE ON AGRICULTURE APPOINTED.

Jos. Chapman, Jr., of Minn.; B. F. Harris, of Illinois; Myron T. Herrick, of Ohio; Jos. G. Brown, of North Carolina; Edwin Chamberlain, of Texas; E. R. Gurney, of Nebraska, and W. D. Vincent, of Washington.

The next order of business is the report of the Standing Law Committee.

Report of Standing Law Committee.

[The reader will find the report of the Standing Law Committee on page 167.]

On motion, the report was accepted.

President Watts: Next in order is the report of the Federal Legislative Committee.

The report was read by Arthur Reynolds, of Des Moines, Ia., as follows:

Report of the Federal Legislative Committee, by Arthur Reynolds.

[We print Mr. Reynolds' report on page 179.]

On motion, the report was accepted.

President Watts: The next is the report of the Committee on Express Companies and Money orders.

Report of Committee on Express Companies and Money Orders, by Joseph Chapman, Jr., of St. Paul.

[The report of the Committee on Express Companies and Money Orders will be found on page 179.]

On motion, the report was received.

President Watts: Next in order is the report of the Committee on Fidelity and Burglary Insurance.

Report of Committee on Fidelity Bonds and Burglary Insurance.

[This report is given on page 176.]

On motion of Mr. Gurney, the report of the committee was received, and the committee was continued.

This report, I understand, will be handed in to the General Secretary in time for publication in our proceedings.

The next order of business is Communications from the Executive Council.

Gentlemen, the Secretary has two short communications:

Secretary Farnsworth: They are very short.

"By the unanimous expression of the members of the National Association of Supervisors and Commissioners of State Banks, we, the

following Committee, have been appointed to convey to your Association the fraternal greetings of our Association, and to assure you that the kindly interest shown, and the many courtesies extended to us by your Association, are sincerely appreciated; and a most cordial invitation is hereby extended to your members to attend our sessions.

"Very respectfully.

"(Signed) ARTHUR B. CHAPIN, Massachusetts.

"JOHN E. SWANGER, Missouri.

"WM. P. GOODWIN, Rhode Island."

The Young Business Men's Exchange, on behalf of the citizens of Knoxville, Tenn., cordially invites all bankers who pass through their city on their way home to stop off and visit Knoxville, and see the city and its resources, and you will have a good time.

The President: If there is no objection, these communications will be spread on the minutes. So ordered.

A. D. Swift, of Ridgway, Pa.: I beg to offer and move the adoption of the following resolution:

"Resolved, That the thanks of this Convention are due and are hereby tendered to the several gentlemen who have given time, labor and great ability in elucidating the various phases of the Currency question now engaging the best thought of the entire country; and,

"Resolved, That the General Secretary be instructed to forward to the several gentlemen who have addressed us this acknowledgment of our obligation and appreciation."

President Watts: The next item on the programme is Resolutions.

RATES OF INTEREST ON DEPOSITS.

R. D. Kent, of Passaic, N. J.: I offer the following preamble and resolution:

Proposed resolution offered by Robert D. Kent, President of Merchants' Bank of Passaic, Passaic, N. J.

Whereas, It is the general practice of the National Banks of Central Reserve Cities to pay a uniform rate of interest throughout the year to other banks in the country, regardless of whether money is plentiful and cheap, or in great scarcity; thus ignoring the law of supply and demand; therefore be it

Resolved, That the subject be given consideration by this Association, through a committee or otherwise, to determine whether or not such practice adversely affects to any considerable extent the business interest of the country; and if it is determined that it does so affect them that the result of such consideration be submitted to the Clearing House Associations of the Central Reserve Cities.

A Delegate: I move that that be tabled.

President Watts: Is there a second to the resolution? There does not seem to be a second, and, therefore, the resolution cannot be entertained.

Secretary Farnsworth: The Executive Council reports disapproving of the amendment offered by Mr. Clark, of Detroit, Mich., which appears among the proposed amendments in the official programme.

On Motion of Mr. F. W. Hyde, of Jamestown, N. Y., the action of the Executive Council in respect to this amendment was approved.

THANKS TO NEW ORLEANS.

On motion of Col. Powers, of Louisville, Ky., the following preamble and resolution was unanimously adopted:

Whereas, The deliberations of the 37th Annual Convention of this Association are now approaching final adjournment, it is meet and proper that we should give some expression of our appreciation for the many delicate courtesies so delightfully conceived and lavishly extended to us and to our guests accompanying us whilst sojourning in this beautiful and magnificent city of New Orleans;

Therefore, be it Resolved, That our thanks be and are hereby extended to the bankers, the various committees, and the citizens generally of the city of New Orleans for their earnest, persistent efforts for the comfort and pleasure of this Convention, the ladies and guests. We feel especially indebted to the local committee of the Associated Banks, and the bank clerks, who have so ably assisted the officers of the New Orleans Clearing House Association, and the press, and we also attest our appreciation of the services rendered by the Remington Typewriter Co. in furnishing machines and operators for the use of the officials, and our thanks are extended to the telephone and telegraph companies for courtesies extended, and also to the St. Charles Hotel managers for the free use of committee rooms.

NOMINATIONS AND ELECTIONS.

President Watts: The next order of business is the report of Committee on Nominations.

REPORT OF NOMINATING COMMITTEE.

New Orleans, La., November 24, 1911.

For President: Wm. Livingstone, President Dime Savings Bank, Detroit, Mich.

For Vice-President: Chas. H. Huttig, President Third National Bank, St. Louis, Mo.

For Vice-Presidents for the different States and Territories as nominated at Convention of the State Associations and certified to this Association by the Secretaries of the respective State Bankers' Associations:

Alabama: Michel Cody, President Exchange National Bank, Montgomery, Ala.

Arkansas: John Q. Wolf, Cashier National Bank of Batesville, Batesville.

California: F. L. Lipman, Vice-President Wells-Fargo Nevada National Bank, San Francisco.

Colorado: C. C. Parks, Cashier First National Bank, Glenwood Springs.

Connecticut: Jos. H. King, President American National Bank, Hartford.

Florida: T. T. Munroe, President Monroe & Chambliss Bank, Ocala.

Georgia: W. C. Lanier, President First National Bank, West Point.

Idaho: J. A. Givens, President Bank of Nampa, Nampa.

Illinois: Wm. A. Heath, President Live Stock Exchange National Bank, Chicago.

Iowa: Geo. S. Parker, President Live Stock National Bank, Sioux City.

Indiana: John A. Thompson, President The Thompson Bank, Edinburg.

Kansas: John T. Denton, President Grenola State Bank, Grenola.

Kentucky: A. S. Rice, President Southern National Bank, Louisville.

Louisiana: Jas. W. Bolton, Vice-President Rapides Bank, Alexandria.

Maryland: C. G. Osborn, Cashier Farmers & Merchants National Bank, Baltimore.

Massachusetts: E. Elmer Foye, Vice-President Old Colony Trust Co., Boston.

Michigan: A. D. Bennett, President Commercial Bank, Port Huron.

Minnesota: J. B. Galarneau, Cashier Aitkin County State Bank, Aitkin.

Missouri: Henry L. Rozier, Banker, St. Genevieve.

Mississippi: E. V. Yates, Cashier Merchants & Farmers Bank, Macon.

Montana: D. R. Pæler, President Bank of Commerce, Kalispell.

Nebraska: E. J. Wightman, Cashier First National Bank, York.

New Jersey: Adrian Lyon, President Perth Amboy Savings Institution, Perth Amboy.

New York: F. E. Lyford, President First National Bank, Waverly.

North Carolina: Jas. P. Sawyer, President Battery Park Bank, Asheville.

North Dakota: A. J. Hunter, Cashier Union National Bank, Grand Forks.

Ohio: Wm. L. Allendorf, Cashier Commercial National Bank, Sandusky.

Oklahoma: A. L. Churchill, Cashier First National Bank, Vinita.

Oregon: W. L. Thompson, President American National Bank, Pendleton.

Pennsylvania: Montgomery Evans, President Norristown Trust Co., Norristown.

South Carolina: H. W. Frasier, Cashier Peoples Bank, Georgetown.

South Dakota: C. L. Mellett, President Stockgrowers' Bank, Fort Pierre.

Tennessee: J. L. Hutton, President Phoenix National Bank, Columbia.

Texas: W. H. Fuqua, President First National Bank, Amarillo.

Virginia: Trench F. Tilghman, Vice President and Cashier Citizens Bank of Norfolk, Norfolk.

Washington: E. T. Coman, President Exchange National Bank, Spokane.

West Virginia: Harry W. Chadduck, Cashier Grafton Banking & Trust Co., Grafton.

Wisconsin: Jas. T. Joyce, Vice-President Union National Bank, Eau Claire.

For Vice-Presidents for the different States and Territories where the membership in the American Bankers' Association is less than one hundred:

Alaska: J. E. Chilberg, President Miners & Merchants Bank, Nome.

Arizona: M. Goldwater, President Commercial Trust Co., Prescott.

Delaware: L. L. Layton, President First National Bank, Georgetown.

District of Columbia: A. G. Clapham, President Commercial National Bank of Washington.

Maine: J. F. Percival, Cashier Peoples National Bank, Waterville.

Nevada: Geo. S. Nixon, President Tonopah Banking Corporation, Tonopah.

New Hampshire: R. E. Smythe, Cashier Pemigewasset National Bank, Plymouth.

New Mexico: H. B. Jones, President First National Bank, Tucumcari.

*Rhode Island: Chas. P. Cottrell, Vice-President Washington Trust Co., Westerly.

Utah: W. S. McCornick, President McCornick & Co., Bankers, Salt Lake.

Vermont: F. H. Farrington, Vice-President Rutland Savings Bank, Rutland.

*Wyoming: John Clay, President Stock Growers National Bank, Cheyenne.

*Canada: Alex. Laird, General Manager Canadian Bank of Commerce, Toronto.

*Cuba: W. A. Merchant, Vice-President National Bank of Cuba, Havana.

*Chas. H. Cooke, President Bank of Hawaii, Honolulu, Isle of Pines.†

*Porto Rico: Jos. R. Bruce, Manager Royal Bank of Canada, San Juan.

*K. M. Van Zandt, Jr., Vice-President and Manager Mercantile Banking Co., Mexico City.

†The only member of the American Bankers' Association is the Isle of Pines Bank, Neura Gerona. Bank directories, however, do not give a list of officers of this bank, and, therefore, no nomination has been made.

*These names selected by sub-committee of the General Nominating Committee.

For members of the Executive Council as nominated at Convention of State Associations and certified to this Association by the secretaries of the respective State Bankers' Associations:

California: For one year, Jas. K. Lynch, Vice-President First National Bank, San Francisco. For three years, W. H. High, Assistant Cashier Anglo and London-Paris National Bank, San Francisco.

Florida: John T. Dismukes, President First National Bank, San Augustine.

Illinois: Nelson H. Greene, Vice-President Peoples Savings Bank & Trust Co., Moline.

Iowa: Arthur Reynolds, President Des Moines National Bank, Des Moines.

Kansas: P. W. Gobel, President Commercial National Bank, Kansas City; J. W. Berryman, President Stockgrowers' National Bank, Ashland.

Kentucky: J. R. Downing, Vice-President and Cashier Georgetown National Bank, Georgetown.

Louisiana: Sol. Wexler, Vice-President Whitney Central National Bank, New Orleans.

Mississippi: F. W. Foote, Vice-President First National Bank of Commerce, Hattiesburg.

Missouri: C. G. Hutcheson, Cashier First National Bank, Kansas City.

New York: Walter E. Frew, President Corn Exchange Bank, New York; Fred W. Hyde, Cashier National Chautauqua County Bank, Jamestown.

North Carolina: J. Elwood Cox, President Commercial National Bank, High Point.

North Dakota: H. P. Beckwith, Vice-President Northern Trust Co., Fargo.

Ohio: R. B. Crane, Vice-President National Bank of Commerce, Toledo.

Oklahoma: L. A. Wilson, President First National Bank, El Reno.

Oregon: J. L. Hartman, of Hartman & Thompson, Bankers, Portland.

Pennsylvania: Robt. E. James, President Easton Trust Co., Easton; Jos. E. Wayne, Jr., Vice-President and Cashier Girard National Bank, Philadelphia.

South Dakota: N. E. Franklin, President First National Bank, Deadwood.

Virginia: Oliver J. Sands, President American National Bank, Richmond.

Washington: Samuel M. Jackson, Manager Bank of California, Branch, Tacoma.

West Virginia: W. B. Irvine, President National Bank of West Virginia, Wheeling.

For member of the Executive Council from States and Territories where the membership in the Association is less than one hundred:

Henry L. Ward, President Burlington Trust Co., Burlington, Vt.

For member of the Executive Council representing the Trust Company Section:

F. H. Goff, Chairman, President Cleveland Trust Co., Cleveland, Ohio.

For member of the Executive Council representing the Savings Bank Section:

J. F. Sartori, Chairman, President Security Savings Bank, Los Angeles, Cal.

For member of the Executive Council representing the Clearing House Section:

John K. Otley, Chairman, Vice-President Fourth National Bank, Atlanta, Ga.

For member of the Executive Council representing the American Institute of Banking Sections:

Carroll Pierce, Chairman, Vice-President Citizens' National Bank, Alexandria, Virginia.

For member of the Executive Council representing the State Secretaries' Section:

J. W. Hoopes, President Farmers' National Bank, Manor, Texas.

For member of the Executive Council to represent the District of Columbia:

Wm. J. Flather, Vice-President Riggs National Bank, Washington, D. C.

Respectfully submitted,

HIRAM R. SMITH,
Chairman Nominating Committee.

J. O. DUNLAP, Secretary.

W. J. Bailey, of Atchison, Kan.: I move that the report of the Nominating Committee be received, and the action recommended be approved and made the action of this body.

The motion was seconded and unanimously carried.

President Watts: Next in order is the installation of the President. I regret that the hour is so close to adjournment that I cannot give adequate expression to the personal sense of gratification I feel that we have elected as presiding officer of the Association so able and distinguished citizen of Michigan. I take great pleasure in presenting to him this insignia of his office. (Pinning the badge of President on the coat of the President-elect.) Applause.

President-elect Livingstone: I thank you all from the bottom of my heart for the honor conferred upon my State and upon myself. When I look back upon the history of this Association and reflect what great progress it has made, especially in the last four years, during which period it has increased in membership by 3,000, I am impressed with the great responsibility which rests upon me. I ask each and every one of you to co-operate with me, and I promise to employ my best efforts to the end that the Association may go on to still greater progress in the future.

Myron T. Herrick, of Cleveland, O.: Before our retiring President takes his seat, I am commissioned to pin upon his manly breast this souvenir as a reminder to him in the years to come of his incumbency of this office.

(Gov. Herrick then pinned upon the coat of Mr. Watts a diamond badge.)

Mr. Watts: Gov. Herrick, and members of the Association, I thank you.

Joseph G. Brown, of Raleigh, N. C.: Mr. Watts, it is my pleasure to present to you this beautiful silver set. It represents not only the feeling entertained towards you by the members of the official family who have served with you in the administration of this Association, but, as well, the appreciation of the members generally for the unselfish services you have rendered to the Association during the year.

(At this point, there was displayed upon the platform a solid silver table set.)

Mr. Watts: Mr. Brown, and my friends, the members of the American Bankers' Association: I accept this gift with all the more pleasure because it comes to me at the hands of my friend Joseph G. Brown, and also because I know it is given in pursuance of the established custom of this Association to bestow a gift upon its officers who have tried to discharge properly the duties imposed upon them, and I believe that a majority of the members of this organization hold the opinion that I have been guided solely by a sense of duty and a desire to do what I thought was best for the organization. (Applause.)

perity. (Applause.)

I thank you all, once again, and wish you long life and pros-

President Livingstone: Before bringing this Convention to a close, I desire to voice the regret that I know you all feel that your Vice-President is not able to be with us on this occasion. However, you will all be glad to know that a message has been received from him stating that he is on the high road to complete recovery, and hopes to resume his business activities by the first of January. (Applause.)

What is the further pleasure of the Convention?

F. W. Hyde, of Jamestown, N. Y.: I move that the Convention be now adjourned.

J. M. Elliot, of Los Angeles, Cal.: I second the motion.

President Livingstone: The business of the Convention having been concluded, it is moved and seconded that we do now adjourn. All in favor of the motion will say aye; opposed, no. (Carried.)

Gentlemen, the Convention stands adjourned sine die.

TRUST COMPANY SECTION

AMERICAN BANKERS' ASSOCIATION

Sixteenth Annual Meeting, Held at New Orleans, La., November Twenty-third, 1911

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The Protector of Property.

By A. A. JACKSON, Vice-President Girard Trust Company, of Philadelphia, Pa.

To arrogate to oneself the position of an incorruptible guardian savors of egotism; in an individual such an assumption would be bombastic. There is no reason, however, why there should not stand upon that plane a corporation that because of the guidance of its executive and office staff is possessed of the brains of many individuals rather than those of one, and as against the individual has the benefit in the discharge of its duties of a machinery that is constantly renewed, so that instead of showing signs of weakness it becomes more efficient as its life progresses.

Perhaps it is idle in an assemblage of this nature, where we are of the same calling, to voice sentiments that presumably will be those of us all. It savors of a going along the line of least resistance to talk of the services rendered to the community by our companies; of their integrity, their perpetuity, their many-sided usefulness, and yet it may not be amiss to bring to our minds these benefits possessed; for nothing is so good that it may not be bettered, and in exploiting the usual efficient scheme of existence occupied by trust companies we may find opportunities to make their services even more complete and satisfactory. And here in this Convention is our chance that comes once a year to review what has been accomplished in our field, to scrutinize our present position and to consider carefully what improvements may be made for our own welfare and the benefit of the property that it is our province to protect for others. It is the time for our annual taking account of stock and for the making of our New Year resolutions, that, unlike so many of those resolves, in our case are to be kept faithfully once they are made after the careful weighing of their merits.

The review of what has taken place in the life of this Section and in the field of our labors during the past year has been told us by our President and in the reports of the committees. Perhaps you will let me say a few words upon the position of our companies in discharging the duties laid upon them, primarily, as caretakers of the fortunes of others, and as to possible betterments for the future, if I may make one or two suggestions and so in-

duce other and further recommendations from our members, I shall be very glad; for here is our opportunity, while we are together, to discuss what may be voiced by any one of us as his thought for the good of the trust company family, that it may bear fruit according to its worth.

As we are all of that family, I assume that we have the clannish feeling that our companies are well equipped to discharge satisfactorily the varied functions that lie within the scope of their business. Let us claim for our corporate selves, therefore, the place that we should occupy by right, and let us prove that the claim is not idly boastful, whether it be made purely as to our administrative qualifications or from a broader and more humanitarian standpoint.

One often hears of the nobleness of the profession practiced by the physician who heals the body and of the comfort given to those in trouble by the ministers of that other profession whose aim is only to do good; not often, however, is it exploited that the trust company in its sphere acts other than as a corporation for profit, and there is prone to be overlooked its functions in keeping the fortune in good health, in endeavoring to restore it when weakened or shattered and in aiding in the quieting of the mind of its clients who may be in distress concerning their mundane affairs.

One of the most hackneyed phrases in our language, to which there is imputed a meaning never meant by its author, is that a corporation has "no soul." This saying—so well suited in its wording to take the ear of the people and to make a catchword maxim—had its origin in the case of *Suttons Hospital*, tried in the ninth year of the reign of James the First at the Michaelmas term of the King's Bench, and reported by Sir Edward Coke in Part 10 of his Reports; a cause argued openly by all the barons of the Exchequer and by all the judges in England (save one, who was ill), including Lord Coke himself, then Chief Justice of the Common Pleas. The Court found for the hospital as a corporation, and the eminent reporter of the case, surely with no thought of sarcasm nor of the taking of his words from the context for their popular mean-

ing through the succeeding generations, quoted from the findings, "They (corporations) cannot commit treason, nor be outlawed, nor excommunicate, for they have no souls."

But allowing the popular acceptance of the saying—justified in many instances by trespass on the rights and feelings of individuals who may have felt the power of corporate power and monopoly—I submit that our corporations, our trust companies that are not trusts, not only are possessed of *souls*, and show them day by day, but that their *bodies*, impervious to the limitation of mortal life, and if rightly governed, to the decay that works in mortal tissues, stand firm and healthy, housing sane minds, whose energy is devoted to the good of their clients; whose judgment protects the property of those persons whose material welfare is entrusted to them, and whose record, lengthening year by year, disproves the perverted saying of Lord Coke.

In its management of the estates committed to it by wills and deeds of trust by the courts and by individuals, who constitute it their attorney in fact, or in the discharge of other fiduciary relations, the trust company is single-eyed for the benefit of its clients. Looking for its compensation only to its fees, often too small indeed, and to its good reputation, its *cestuis que trustent* need not, fear the use, which is *misuse*, of their funds for its aggrandizement. It puts apart from all other business that it has the holdings of those for whom it stands in the position of a faithful guardian. If rightly conducted it is examined frequently from within by its own people or auditors from without by expert accountants, and in States where there exists a bureau for the purpose, by the Department of Banking. If by some mischance reverses in its other lines of business, or the devastating sweep of a panic—hereafter, we hope, to be rendered improbable by the passage of some beneficent law as the outcome of the bill and plans that are engaging the attention of this whole Convention—if, I say, some such catastrophe involves one of our companies no danger attaches to the funds of the estates held by it in trust. They are separate and apart from its own assets, as free from attachment of its creditors as in well-ordered companies these trust properties are physically separated in their place of lodgment from the belongings of the corporation itself, or from those attaching to its other lines of business.

Being then outside the possible misfortunes that the company itself may suffer (and the record shows that insolvency has come to few of them), an estate in its hands would seem to be essentially free from menace. Although we cannot guarantee, as now and then seems to be the thought of some client that we should, the non-depreciation of the corpus, to which bad days come in common with all other bodies, and which is as sensitive to the fluctuations of values of those bad days, yet we can endeavor to keep it stable and to increase its value by proper means. The physical custody of its assets is safeguarded by efficient devices and the records concerning it are carefully transcribed and open to inspection by the persons interested. Its funds are invested in directions not dictated by the choice, perhaps biased, of one person, but with the consensus of opinion of several heads well used to making such decisions, and in accordance with existing statutes governing the investment of trust funds, or in cases where the trustee is not restricted by the instrument under which it acts to securities prescribed by law, then as thoughtful judgment may decide, in all instances with the desire to gain for the benefit of the *cestui que trust* a satisfactory rate of income commensurate with the safety of principal. For if the corporate trustee exceeds its province in making those investments the court to which it is accountable surcharges it, and by the very fact that as a corporation it is possessed of other assets that may not pertain to an individual trustee, the estate suffers no loss. If then the perpetual corporation, with its safeguarding capital and surplus, efficient management

and its machinery for discharging the duties devolving upon it, protects the property that it holds in trust for others, its continued appointment and employment for these purposes should obtain in steadily increasing instances. Theoretically able to handle matters large and small as well as an individual, practically it shows its ability to discharge its duties better and to make a more satisfactory fiduciary than the average individual who lacks the plant that the company has accumulated, the staff of specialists that forms its office force and in most instances the strength of the corporation's assets that are responsible for the proper management of its trust affairs.

But if the trust company has taken, is taking and will take the place once occupied by individuals under Wills and Deeds of Trust, and in other fiduciary capacities, it does not exclude from its scheme of management those individuals who would have been appointed to the positions in question. Sincere in its desire to administer for the best benefit of the family of a testator the property that he has committed to its charge by his will the trust company turns gladly to those persons who, by reason of their former close association with the dead, have knowledge of details that are of benefit to his executor; and the lawyer who formerly often was appointed by his client naturally is retained by the company as its counsel in the administration of the estate left by that client whom he has lost.

The corporate executor and trustee strives to show its beneficiaries that their interests are taken care of by welcoming all aids from proper sources; that it has no complacent self-sufficiency, and that its official staff is made of men who can realize the situation in which stand persons interested in an estate, so that their wishes may be followed where it is possible, and their benefits at all times considered.

Happy is the company which justifies the designation of its title by being in all things "trusted" by its clients; that by its record gathers to itself an increasing number of friends, for what exploitation of its fitness is so effective as a reputation spread abroad by those whose own experience lends weight to their statements? And although the getting together of a large number of estates is a long process, this advertisement by the mouth of friends is an invaluable factor—once started it rolls by its own momentum, gathering weight as it goes. And it should be easy for us to make those friends. With our broad powers we reach and serve so many people in so many ways, taking their money on deposit; lending them funds when they are in need of and in the position to borrow them; housing their securities in our vaults; caring for their fortunes; buying and selling for them; acting for them—individuals and corporations; caring for their affairs in good standing and in insolvency, and administering their estates after their deaths. We stand in relations personal as well as financial to mankind from its birth, when we act as its guardian, to its death, when we execute its will, and then we begin again for the next generation.

But while we believe in the efficiency of the trust company for the discharge of its duty in the broad field of its activities, constant vigilance is needed to maintain that efficiency and to take advantage of each opportunity for betterment for its own benefit and that of the persons with whom it has relations.

At the risk of asking your attention to certain conditions now existing that no doubt have had already your careful consideration, I venture to speak of the propriety of their cure for the greater protection of our properties in trust:

Adam Smith in his "Wealth of Nations" says: "The subjects of every State ought to contribute toward the support of the Government as nearly as possible in proportion to their respective abilities—that is, in proportion to the revenue which they respectively enjoy under the protection of the State."

While the book from which I quote was written more

than a century and a quarter ago, the dictum is as true now as then. The National Government and that of a State could not exist without the contribution of the citizens; the right to do business, to acquire wealth, to live in a community the benefits of which are enjoyed, carries with it the obligation to support that community and the general fabric of the State, without which those benefits would not exist. No one disputes the necessity of, and when equitably disposed, the justification for taxation, by customs and excise duties, by corporate and mercantile license, by real estate and personal property taxes, and by the general tax on citizenship. Under a proper disposition of these, persons real and artificial contribute to the common weal out of their share of this world's goods proportionately as they are blessed with them.

Unfortunately the theory in some instances fails in its application, and that which in the propaganda of Adam Smith should work no hardship to the taxed becomes a burden, unjust, irritating, and in many cases distressful. It is one of these burdens that I have in mind, an irritating situation that confronts our trust companies in the management of estates—the multiplication of charges against inheritances from a decedent who dies with his fortune relating, although perhaps only by a fiction of law, to several of our United States.

In the past year much has been written and said on the subject of the iniquity of taxation of estates—not the charge that brings to the Commonwealth the contribution justly due by a decedent as his last act in support of the Government and his fellow citizens; that of itself is necessary, is sanctioned by laws in many instances proper and needed for the up-keep of the people and their institutions. It is not that charge of which complaint is made, but those taxes, the result of legislation often hasty and ill-considered, occasioned by the cupidity of a State which has seen with envy a sister Commonwealth harvesting large sums by heavy impositions on property laid open to tax by the passing of the owner, or more often occasioned by the desire to work retaliation because that sister Commonwealth has used for the mulcting of a fee property tangibly or intangibly found within her borders before she will let it go from her grasp to the domicile of the decedent.

As we know, the rates of direct and collateral inheritance taxes vary in the different States, and I do not intend to burden you with the reading of tabulated statements setting forth the statutes that exist in various localities. These have been published, and no doubt have been read by many of you. It is upon the general situation, and the need of its betterment, that I venture to plead for the enlistment of your good offices, instancing only the inheritance tax of one jurisdiction that would seem satisfactory to many critics and sufficient for the purposes of the power that has decreed it.

The State of Pennsylvania enjoys the benefit of a statute that with few amendments has been upon her books since 1826. Under it the persons who, by reason of their relationship to a decedent, most need his fortune after they are deprived of his support, receive their inheritances free of the imposition of taxation by the State. The Commonwealth recognizes the injustice of charging any distributive share that goes—let us say—to a member of the immediate family of the decedent who, in theory at least, will be a citizen of that Commonwealth, and under the law will continue to pay to it the yearly contribution that has theretofore been made by the person who has possessed the fortune and is dead. Therefore it does not make an opportunity to enrich itself unnecessarily by seizing a portion of that share in its transit from the late owner to those whom he has left behind, and who by his death, presumably deprived of the support and benefits that he had been accustomed to render them, although by that death they have become possessed in their own rights of the portion of his fortune left them, nevertheless are obliged to live upon the productive power of that

fortune without the swelling of it by the earnings of the decedent.

The taxing power therefore exempts the inheritances of these persons but continues its receipts from the capital so divided to them by taxing it annually as theretofore it had taxed it when held together in the hands of the original possessor. The theory is beneficent; the law is sane.

The position of beneficiaries who are collateral in their relation to the decedent, or strangers to his blood, is quite different. The State appreciates that upon their bequests a levy may be made with justice. Their expectations were—we may say—unwarranted; their inheritances a gift from the donor. As to their temporary or continued residence within the Commonwealth there is no theory, nor as to the future contribution to the State by annual taxation. It is but right that at the going out of these portions of the estate of a citizen, the Commonwealth shall have a percentage for its up-keep. But in the State of which I speak, this percentage is fixed at the reasonable tax of 5 per cent., and no matter to what figures the distributive share ascends, nor to what remote degree of relationship or alienation does the beneficiary withdraw, there is no increase in that rate.

Furthermore, having given for so many years the benefits of this law to estates administered in its jurisdiction, Pennsylvania does not meddle with the securities of a non-resident that at the time of his death may be lodged within its borders. If a citizen of another State dies possessed of securities physically in Pennsylvania, that State does not impose a tax before his executor can remove them to the place of his domicile, nor should the decedent have possessed securities of a Pennsylvania corporation the certificates of which are outside the State, does it charge a tax upon them before the transfer is allowed.

With reference to this happy condition of affairs, Mr. Hugh Bancroft, of the Boston Bar, in his instructive manual upon Inheritance Taxes, says: "It is refreshing to find the courts in at least one State insisting that, if personal property of residents held outside of the State is to be taxed on the theory that personal property follows the domicile of the owner, the logical consequence of this theory is that personal property of non-residents within the State is not taxable."

To our cost, or rather to the cost of our estates, we know that this satisfactory situation does not exist in certain other commonwealths, and that under the laws of some of them the fortunes of a decedent unfortunate enough to own securities of corporations transacting business in several jurisdictions, or lodged outside that of his domicile, may be subjected to double, triple or even quadruple taxation, while at least one State a few years ago enacted legislation, the possible effect of which under certain conditions might be to confiscate and more than confiscate a legacy.

The evils of laws inducing double taxation, or imposing it at abnormal rates, have been felt keenly by New York in the flight of securities from her borders after the passage of the law of 1910, and she has promptly applied the cure by the amendment of the current year. No doubt in the passing of time other States will remedy the injustice that may exist in them, not only to inheritors but to themselves, and feel that the theory of fair play and give and take is a good and comfortable one to make a basis of taxation.

In the meantime cannot we, the Trust Company Section, aid in the work by a campaign of education among the legislators?

And if such action be taken, it occurs to me to suggest two other matters that might be brought forward in localities where enactment on the subjects would be of benefit.

One of them is the fixing of what investments shall be legal for funds held in trust. Laws expressed or implied as to this exist, I think, in the majority of the older

States, but are lacking in others. It is as much for the protection of the trustee as of the estate that certain classes of investments should be designated as approved by the courts for the use of funds under their control. Necessarily these classes may vary in different localities, but as they should embody property that is the least likely to be affected by depressed conditions, an estate should be safe in their purchase, and the trustee which buys them after due examination should be protected by the courts if by some mischance they suffer a depreciation in its hands.

Just as many persons consider that the law equitably provides for the distribution of the estates of intestates and so are content to die without a will, so may others be desirous that the portion of their possessions directed to be held together after death be represented only in such form as is sanctioned by the laws governing the investment of trust funds. Therefore, there should be such laws to direct the trustee where it is without direction in the instrument under which it acts. But, on the other hand, there should not be denied the right of a testator or a donor to permit his trustee in its wise discretion to invest in directions that may appeal to it without the scope of legalized securities and without liability to it for such following of his permission.

And if these two matters of which I have spoken should be taken up with the legislatures, may I suggest the urging of State supervision of trust companies in such

commonwealths, rapidly lessening in number, where there is no Department of Banking, so that soon throughout the country there will be no one of our institutions that is not subject to examination under the law.

This Section has an admirable Committee on Protective Laws. It is composed of busy men engaged in the affairs of their respective environments, yet finding time to discharge the duties laid upon them by this organization.

At the risk of burdening them still further I venture to suggest, Mr. President, that the Committee take under consideration whether or not there is value in my belief that there will be served the interests of trust companies at large, that the property in their charge will be conserved and that their reputation will be strengthened by moving in jurisdictions where existing laws are susceptible of betterment for

A just and equitable single inheritance tax.

The designation of classes of investment for trust funds where the trustee is not given discretionary powers by the creator of the trust.

The supervision of companies by the Governments under which they hold their charters.

I do not ask for any resolution upon these suggestions. The meeting may not be with me as to all or any of them. They are but my ideas for the betterment of system where it may be needed by us as protectors of the property of our clients and of our companies, and for the further advancement of our good names.

Registration of Commercial Paper

BY FRED. I. KENT, Vice-President Bankers' Trust Co., New York.

One of the great problems of today, which the people are unconsciously engaged in solving, is the right of the individual or combination of individuals to use the great market represented by the public mind. When the world was divided into thousands of comparatively segregated communities, personalities of buyers and sellers of commodities or credit were known to each other. With the dissemination of the thoughts of men, made possible through the telegraph, the telephone and the printing press, the business man is able to reach millions of minds to whom his own personality must be unknown, except as it is reflected through the thoughts of others. Partly on this account his responsibilities are proportionately greater and his duties vastly different than when he lived in and served only isolated communities. Each member of a small community, having an opportunity to judge of his neighbor's ability and integrity, can guide his own actions accordingly, and will succeed in life as his judgment is good or bad. With the growth of population and its increasing density, requiring division of labor and greater interdependence, with correspondingly less proportional personal acquaintance, a public forum is offered to him who would serve his unknown neighbors, and publicity of operation and regulation of methods must take the place of personal contact.

If, therefore, we would have for our market-place the great public mind, we should so display our wares that the stranger can fairly judge of their value.

The needs of the business man and of the people are identical. Both desire good times, which for the business man means demand for that which he has to sell, and to the people the power to buy. As a buyer for his own needs, the business man is of the people, and as a seller for profit, to be used to buy the necessities or luxuries of life, the people are business men. Their interests, therefore, cannot be separated, even though in particular instances, for a limited time only, a small portion of one element may seem to gain something through injury to the other. It is because of this latter fact that the demagogue

has his day. His every success, even though it must of necessity be short-lived, has to be paid for by the people. In the formation of laws having to do with the regulation of industry both the business man and the people should be represented, the one as the seller and the other as the buyer. Then fairness to both interests would be possible, and injury done to neither. The popular political idea of the day appears to be that the buyers only should be represented, and not the sellers, except possibly when sellers seem to represent the most votes, and no consideration is given to the fact that every buyer is of necessity a seller, and that his ability to buy will be curtailed in exact proportion to his inability to sell. When organizations of business men can, among themselves, make such rules and regulations as will protect the public, the law need not and should not step in, but when such control is ineffective the requirements should be written into the statutes.

Industrial stability is essential to the comfort and happiness of the multitude. It can only be acquired by the elimination of waste in the growth or manufacture of commodities, waste in their marketing and distribution, and waste in their financing. The efforts of men to stop such waste and profit by it have led to the formation of our great corporations. While the people as a whole look upon waste with complacency, yet when it is turned into profit it becomes a source of discontent, even though a part of such profit may accrue to the public. The demagogue and the muckraker then constitute themselves leaders of the mob, and endeavor to steal, by abuse, the success of the captain of industry instead of trying to make his creation, the corporation, pay for the use of the great public market by fair regulations.

Waste is both positive and negative. When positive it may be turned into profit. When negative it may be prevented, and thus save loss. Greater efficiency in the management of a corporation will save positive waste, and greater protection from inability and dishonesty will prevent negative waste. Business men, through their asso-

ciations, are constantly working for greater efficiency and greater protection, and incentive for profit is the compelling force which leads them to do so. The results of such efforts are seen throughout the commercial world in changed customs and requirements. Unfortunately men learn more rapidly from bitter experience than from anticipation, hence regulation usually follows primary waste. The registration of commercial paper, which has recently become a part of our financial system, is the outgrowth of such experience. That such registration has been voluntary on the part of those undertaking it greatly redounds to the credit of American business men, but it is only one instance out of many where financial interests, when left to themselves, have changed their methods to better protect the public.

The issuance of commercial paper is the direct outgrowth of the larger firm or corporation, which, having for its market the whole country, requires on the other hand a greater credit than can be furnished locally. It would not be necessary if the funds desired could be obtained from the bankers of the company issuing the paper. Such paper could not be sold if it were not for the facilities furnished by the great public mind, and as a compensation to the people for the use of the market made by them, sufficient additional safeguards should surround the business to protect to a reasonable extent all concerned.

One reason why such a duty falls upon those making use of the public market is that due to its great breadth, fraud, if committed, can assume enormous proportions and result in loss to great numbers of people who have not directly had any voice in extending the credit. For instance, if a large industrial concern places its paper in several hundred banks situated in different parts of the country, and the money is wrongfully used or otherwise lost by those in control of the industrial company, it may mean disaster to many interests, viz., the stockholders of the company issuing the paper, the various companies from whom materials are bought, and their stockholders and others interested, the stockholders of banks which purchased the paper, the depositors of such banks as may be forced into liquidation through the loss, the stockholders of such companies as are depositors in the failed banks, all who sell to those whose buying power is curtailed, and those from whom such sellers buy. The farther away we get from the original borrower, the less severely the loss is felt, except in cases far along the line, where the particular loss was sufficient to cause bankruptcy of some company which might otherwise have survived. Where frauds committed in a single community could only reach a small amount, those perpetrated upon the broad public market can assume enormous proportions. While the amounts obtained through the issuance of commercial paper wrongfully have already been tremendous, in some individual cases being over \$1,000,000, yet they have not assumed the proportions possible under our present system by any manner of means. When commercial paper first began to be issued, it was comparatively easy for firms to obtain money in this manner without regard to their standing.

Some brokers, in their anxiety for commissions, induced hitherto conservative men to expand their credit far beyond the point of safety. Failures and losses inevitably resulted, until it was found necessary to put a check upon such operations. A system of auditing was then introduced, in order that those purchasing paper might be able to use their own judgment in deciding upon the advisability of taking it. Buyers of commercial paper then felt safe, for they thought that the risk was reduced to a reasonable one when public auditors were examining the books of the companies issuing commercial paper and were furnishing reports based upon such examinations. It was not long, however, before it was seen that while the auditing system protected the buyer of the paper to a reasonable extent, when all of those in authority who were connected with the issuing companies were men of integrity, yet that it was no protection whatever from

such officers authorized to obligate the company as might be dishonorable.

It was found that commercial paper was being issued by some companies through several sources; that certain officers were appropriating the funds which were received from paper put out through special channels; that neither the funds nor the purpose for which they were used appeared upon the books of the company, and that separate bank accounts were maintained to carry deposits made from the proceeds of such paper issued, records or statements of which never reached the company's books or those connected with the company, other than the particular officers who were misusing the money. Any system of audit which might be applied in such cases would not uncover the fraud, for the company's books, if otherwise in order, would balance properly, and the auditor would not have his suspicion aroused. In all such cases the company, while never having received the use of the money, would still be liable for the amount of paper issued, as a properly authorized officer signed the obligations. When such paper became due and could not be met by the companies whose names appeared upon it, they were forced into bankruptcy. Those who had purchased paper upon the audited statements of these companies were really furnished with no more protection than if there had never been an audit. The losses to the multitude directly and indirectly interested were made because the public was not properly protected.

There was always the possibility that our daily newspaper on any morning might give an account of some bankruptcy due to some such cause. The question then was to find some practical safeguard which would effectively prevent frauds of this nature.

The American Bankers' Association has considered the problem from many points of view, and some form of registration seemed to be the only practicable solution. It was found, however, that the different systems of cooperative registration suggested could not be made effective, as they all required independent uncontrollable action of many individual bankers. The plan was then tried of having paper registered by a trust company along the same lines that have so successfully protected the issuance of other forms of security, such as bonds and stocks. This system, having proved most effective, has since been adopted by a number of industrial concerns issuing commercial paper, and it is at present under consideration by the boards of directors of many others. It is doubtful if any security in the form of stock could be listed upon any stock exchange in this country without registration. This protection, which is afforded to buyers of shares of stock, is such a contrast to the methods under which commercial paper is issued that its application to the latter security has been most favorably received by bankers.

First and foremost, the registration of commercial paper by trust companies makes a perfect audit possible, and without regard to any other protection afforded, this in itself would make such registration of the utmost value. In addition to furnishing the means to a satisfactory audit, registration affords those who examine the statement of a company, whose paper is being offered to them, an opportunity to see what obligations have been incurred by the issuing company since the date of the statement. Such information is not public property, but can be obtained by any banker interested. When so obtained, it is a trade secret, and it is safe to assume will be kept inviolate, as other similar matters are which have to be known to bankers.

The detail of the system is quite simple. First and most important, the board of directors of a company which intends to have its commercial paper registered must pass a resolution in regular order, which requires that all promissory notes issued or executed in the name of the corporation, and all promissory notes endorsed in the name of the corporation, other than its own promissory notes, and all drafts and bills of exchange accepted in the name of the

corporation, must be registered by a trust company, and further, that no paper of such character shall be complete or valid until it has been so registered and such registration shall have been noted upon the paper itself over the signature of an officer of the trust company. The trust company as registrar should be authorized upon the written request of some officer of the company, either treasurer or assistant treasurer, to register upon presentation all obligations of the character already outlined, delivering them back to the company. Signatures of the proper officers should be filed with the trust company for comparison, and no other signature should be accepted by it unless properly authorized. The trust company should be authorized and directed to keep a record of all registrations, including maturity dates, amounts and such other detail as is necessary to identify the paper. The registrar should be obliged to report to the auditor of the corporation in writing on each business day, giving a transcript of the registrations made on the previous business day. The treasurer from time to time, at least twice each month, should present to the trust company all registered paper which shall have been paid and cancelled, and such cancellations should be noted on the records. The treasurer should also, from time to time, file a statement of bills receivable paid, which the trust company shall cancel from its records. The trust company should also be authorized to furnish any bank, banker or trust company, upon request, with a statement of the amount of the unmatured registered paper.

Where interior firms wish to have trust companies in reserve cities register their obligations, they should forward such paper to their brokers for presentation to the trust company for registration and certification and delivery upon payment of the amount of the paper registered. This would not inconvenience either the firm having the paper registered or the broker, as the latter would not need to present the paper for registration until the money was obtainable. This method would also be a great convenience in many cases, as the paper not being valid until properly registered, firms or corporations could, when desirable, file with their brokers obligations which were in order, with the exception of the signature of an officer of the trust company, showing that the paper had been properly registered. Such paper could then be held until its proceeds were required by the maker, who could obtain the funds by telegraph and without loss of time. Unquestionably large amounts in commercial paper are filed with brokers today to be held until needed, and too many firms in the past have lost money through brokers negotiating such paper for their own use, and without the knowledge of the makers. Under the system of registration all reputable brokers would be benefited, as their responsibility for paper filed with them would be practically eliminated. It is only a misconception of the object of registration which would prompt a broker to object to the necessity of having to have paper sent him for sale registered with a trust company and delivered against payment.

With registration carried on under such a resolution, the corporation, while unquestionably responsible for paper which it might issue without such registration, provided it actually received the funds, would not be responsible for any unregistered paper issued by an officer authorized to execute paper in his company's name, wherever there was notice of the company's requirement of registration. If the funds were received and used by the company, the audit would show it, consequently, as the company would not be responsible for such other paper as might have been issued, the statement of the auditor should be a correct exposition of the company's business at the time it was taken off.

At present the large expense incurred in having public auditors examine the books of firms and corporations is money wasted, in so far as the audit is intended to protect those depending directly or indirectly upon the com-

pany in any way whatsoever. The value of a proper audit is more far-reaching than would seem at first glance. Every officer in a company is dependent upon a proper audit for protection against the inability or dishonesty of every other officer, and of the clerks in his employ. The directors of a company are entirely dependent upon a proper audit for proof as to their justification in trusting the officers elected by them, and in being able to intelligently pass upon matters of importance which are put before them for their consideration. The money they have invested in a company is often the least part of the risk undertaken by a director in assuming his duties. If his confidence in the officers is misplaced, or the system under which the company is carried on is a bad one, failure may result, and the director may have a reputation destroyed which had been built up through years of honorable and capable business management. Stockholders are usually influenced more or less when purchasing stock of industrial companies by the personnel of the officers and directors. If these known officers and directors, who may themselves be worthy of every confidence reposed in them, are not able to protect the stockholders, because a way is open to any other officer authorized to obligate the company to obtain funds on the company's credit and use them for the benefit of himself or to speculate for the company, either for the purpose of making money or to cover up losses, it is really a serious matter. The opportunity to raise money by means of commercial paper, by arranging to withhold the funds received from paper placed through special channels, is ever present, regardless of any audit which may be made. When the by-laws of a company require that every obligation intended to raise money shall be registered with a trust company, in order to be valid, both the temptation to put out commercial paper fraudulently and the possibility are eliminated. The protection afforded covers every danger existent with the issuance of commercial paper as such, and the methods under which it is sold. Such dangers include dishonesty or inability on the part of the maker, which causes him to try and float more paper than his business warrants, either by means of unrecorded paper or false statements, or by piling on liabilities after a statement has been published, and inability on the part of a broker who may wrongly advise a client, or who may endeavor to sell forged or fraudulently issued paper.

It has been contended that some bankers, having special arrangements with houses putting out commercial paper, may make direct loans to the institutions without having them registered. No honorable or capable banker is going to deliberately loan money to any concern against paper which he knows will not bind the company unless he can prove that the funds were actually used by the company and were not diverted to the personal use of any officer or other party.

Another objection made to the plan of registration is that while bankers by applying to the registrar trust company could obtain a statement showing the total amount of paper outstanding, yet as they would have no knowledge of the assets represented by the issue, they would be in no better position to judge of the condition of the company than if they did not know the liabilities. To the intelligent banker, who knows the seasonal requirements of the various lines of business in which his investments are made, a statement of liabilities in connection with a basic statement of a firm's condition would be exactly as useful as a complete supplementary but unaudited statement.

The officers of some institutions who are considering the registration of their paper have thought that it would be to their interest to have their auditor register as well, at such times as was deemed necessary, a statement of the uses which had been made of the borrowed money, in effect the assets in a rough way which, together with the liabilities in connection with an original statement issued at the opening of the season, would make it possible

for anyone interested to render a satisfactory judgment on the condition of the company. Without regard to whether this were done, however, the registration of the liabilities would still make a perfect audit possible, and the statement of a competent public auditor is after all the real basis from which to consider the purchase of paper, provided the honor and integrity of the management are considered safe.

Another objection raised lies in the fear that competitors might be able to obtain information which could be used to the disadvantage of a registering company. It might be true in the case of certain lines of business that some such danger would exist, provided that the competitor could find some dishonest banker who would be willing to obtain the information for him. Such chances, however, are just as great at present, and anyone who could, under a system of registration, find a dishonest banker who would obtain information for him wrongfully could do so today. A management which was bent upon obtaining information concerning some competitive business by fair means or foul could do so better by employing a dishonest clerk or stool pigeon deliberately placed than through a banker whose ability to obtain information vital to his success depends upon his honesty in using it. It might be, however, that in certain lines of business the risks were abnormal, and that it might be wise for those registering the paper not to authorize the trust company to advise bankers concerning the outstanding liability, but instead to authorize them to give such information, when called for, to the regular public auditors of the company. Such auditors then having access to the assets created from the proceeds of paper issued could add to the original statement furnished the commercial paper broker a further statement to the effect that they had obtained from the registrar the amount of outstanding liability shown by its books, and that its assets had been properly increased by the amount. This

method in itself would be sufficient to give the protection desired in connection with honorable and capable auditors.

Judging from the number of companies which have already completed arrangements to register their paper with a trust company, and those whose boards of directors are considering it at present, it would seem to be safe to predict that this system of protection will soon be generally recognized as being necessary to those who desire to issue commercial paper. The cost of registration is so small compared to the amount of paper which it would cover each year that it only adds an inconsequential, fractional amount to the average interest rate paid. The cost is, of course, based on the amount of work involved, and increases in proportion to the output of paper. As soon as registration of commercial paper becomes general, the market of those who do not have their paper registered will be confined to the bankers who have means of satisfying themselves that the company is in proper condition. In such cases the market will be exactly as abroad, as it should be, and no injury will be done to any interest.

A trust company is what its name signifies in the best sense of the word. Practically all of its functions, aside from the general banking business carried on by some companies, are to conserve and protect the interests of the public. It stands guard over the rights and property of every individual who has a direct or indirect interest in any of the affairs submitted to its care. It stands between the helpless and the ignorant and those who would, by fair means or foul, injure them. It is the only business organization whose every duty is that of protection. In adding to the functions of a trust company the registration of commercial paper, it becomes more than ever a public servant, for it enables our great industrial firms and corporations to go out into the public market fairly and justly, and borrow honorably the surplus funds of those of our people who have, through their industry and economy, made possible our vast banking system.

The Relation of the Trust Company to the Lawyer.

BY MARQUIS EATON, of Defrees, Buckingham, Ritter, Campbell & Eaton, of the Chicago Bar.

The banker and the lawyer have always challenged each other to the freest discussion of their many problems of mutual concern. While the functions of their professions are quite dissimilar, the professions are related in many ways; and their historic interdependence has been emphasized through the development of the modern trust company.

The interrelation does not consist, as some writers have conceived of it, in a sportsmanlike division of common spoils among two eager and competing groups. Neither does it consist in any type of armed neutrality—the favorite modern way of temporizing with a new problem until such time as the stronger can successfully invoke the doctrine, “the survival of the fittest.”

Competition and interdependence are, for our purposes, terms mutually exclusive. It is the latter term which correctly characterizes the vast majority of the essential and legitimate activities of the trust company and the lawyer.

The scope of trust company organization has been extended so that it now frequently involves five distinct departments:

1. A financial department.
2. A safety deposit department.
3. A real estate department.
4. A bond department.
5. A trust department.

FINANCIAL DEPARTMENT.

In its financial or banking department the trust company does not compete with the lawyer to a greater or

different degree than does the National bank. The interrelation of the banking and legal profession is the more marked in the case of the trust company than in the case of the National bank, because of the broader powers and wider scope of investment accorded to the former. The lawyer, if he has earned a reputation for reliability and prudence, can, through the co-operation of the trust company, assure every responsible client the financial support necessary to the protection of his legal rights; which protection, by the way, is required less often in litigated matters than in the carrying out of amicable adjustments and constructive plans.

It is true that some lawyers act as bankers for their clients, loaning them money (usually on extravagant security) and otherwise acquiring a personal interest in the plan, adjustment or litigation in which they are professionally engaged; but all that a lawyer can safely do in rendering his client financial assistance can be done better and with greater propriety through the banking department of the trust company. The law office used as a bank is as impertinent and as perilous to the client as the bank or trust company used as a law office. (I have been discussing the propriety of loans to the client. I do not seek to abridge the right of clients to loan money to their lawyers; an altogether admirable expedient for supplementing banks and trust companies in a function which, while they could perform it perfectly, they are sadly indisposed to perform at all.)

The careful lawyer makes it a rule to refer to his banker for adjustment direct with the client the financial

questions involved in the conduct of his client's business. The banking and investment department of the trust company are of most frequent service in this connection. I have been told, and I believe it to be true, that lawyers introduce more acceptable customers to the banking department of the trust company than does any other professional or business group.

Reciprocally, the wider scope of trust company banking, compared with that of the National banks, gives much more frequent occasion for the employment by the company of the lawyer's technical services.

The trust company, therefore, in its financial or banking department, does not compete with the lawyer in any of his legitimate and essential lines of business, and it does aid him in these lines by occasional direct employment and by constant co-operation with his clients.

SAFETY DEPOSIT DEPARTMENT.

The safety deposit department is one which is of special convenience to the lawyer. Until it came into popular use his office was the usual depository of wills, title papers, life insurance policies, contracts, stock certificates, promissory notes and bonds. He was always a bailee without hire; held to a limited financial but a strict moral responsibility. Frequently, in an emergency, he was able, after hours of patient search, to find the document which the client claimed to have left with him for safe keeping. This proved that the document had marvelously survived the successive house-cleanings, by means of which he had sought to extend the resources of his always overcrowded office; that it had come through the fire, which had started with a forgotten cigar; that it had been spared by the burglars when they ransacked his papier-mache vault.

Often the lawyer did not find the paper for the reason that he never had it. This did not avail him. His rôle of universal depository made him the logical suspect in connection with every missing document. The custom carried with it no compensation to the lawyer and cost him heavily in time, office space, nerve force and friends. He is today the best drummer for the safe-deposit department. He can and does do a great deal for this department. It can do nothing for him except, in a measure, to take away from him the haunted look which he always wore until his clients began to act on his advice and rent a safety deposit box.

REAL ESTATE DEPARTMENT.

A real estate department is an indispensable adjunct to the business of every trust company. Such a department in a law office argues a lack of law business. Lawyers as lawyers do not compete with real estate agents, individual or corporate, any more than with contractors, merchants or physicians. It is true that the purchase, lease, sale or improvement of real estate involves many questions of law, but such questions are involved in the conduct of all branches of business. The fact that one has been admitted to practice law does not make his loaning of money, dealing in securities and buying and selling of real estate law practice. When so engaged he is a private banker or broker—a legitimate calling, but one not technically associated with the profession of law. A man can complain, as a real estate agent, of the competition of trust companies if as such he thinks he has cause for complaint, but a lawyer ought not to invade the calling of a broker and then complain that the competition he encounters there is competition in the practice of law.

In some States, where trust companies are organized to pass upon and guarantee title to real estate, the business of examining abstracts has been practically monopolized by these companies, which perform these services in connection with the issue of their guarantee policy. I believe this practice marks a distinct advance in the direction of simplifying and assuring the title to real estate. Lawyers who complain of title insurance as competitive have, with their initial premise, lost the argu-

ment. The assumption of a risk for a consideration is not law business at all—it is a species of insurance. Under the guarantee policy the liability is absolute and is based on commercial considerations. Under the lawyer's opinion of title the liability is much more restricted and rests on established professional grounds. The customer, in other words, has, through the evolution of the title insurance company, acquired an assurance much more tangible and readily enforceable than that given him under the old system of lawyers' opinions of title. There has been in this evolution no infringement of any professional prerogatives—merely a change of method along progressive and constructive lines.

When a trust company, in its real estate department or in any other department, has legal questions to determine it should, and if it is a responsible, self-respecting concern it always does, consult lawyers rather than doctors, bankers or preachers. The average run of the business of the real estate department is not law business at all, and therefore this department can continue to grow in prosperity and grace with our congratulations and good will.

BOND DEPARTMENT.

Whether the bond department of a trust company is an advantage or a disadvantage to the private bond broker and dealer in securities is not my purpose to inquire. The relation of this department to the lawyer is certainly a helpful one. Responsible trust companies buy and sell bonds of those issues only which are certified by conservative and capable counsel. A bond is simply the final evidence of a sequence of purely legal transactions. The development of this type of security is law business, pure and simple. Traffic in the security after the same has been legally developed is not law business. I will go further, under the protest of some of my professional brethren, and declare that counseling with respect to the investment of surplus funds is not ordinarily to be classed as law business. To be sure the lawyer has performed this function from time beyond memory, but he, like the minister and the doctor, is not limited in his usefulness to strictly professional concerns. I am not seeking to divorce him from any of the personal responsibilities which flow from his confidential relation to his client. I do insist that his interest as a lawyer is limited to a technical examination of the legal history of a particular investment; as a lawyer he has nothing to do with the question of choice among securities legally established. His special fitness for advising precisely the investment which his client needs is assumed more often than it is proved. It is my opinion that in the vast majority of cases he would serve his client best by confining himself to the client's law business, committing the client, with respect to his investments, to the bond department of a well-organized and conservative trust company. I assume that the bond department of every trust company of the type described is dominated by a man of special education and technical experience in the matter of investments. For any one trust company to invite public confidence without such a *specialist* in its investment department is to negate every principle on which the just appeal of trust companies in general is based.

TRUST DEPARTMENT.

In my consideration of the financial, safety deposit, real estate and the bond department of the trust company I have endeavored to show that the relation of these departments to the lawyer is not competitive in any sense which gives him a just ground of complaint. I have sought to establish that such functions as the loaning of money on securities, the safe keeping of important documents, the insurance of real estate titles and the investment of surplus funds are, by whomsoever performed, not the service contemplated by the lawyer's exclusive license. You have inferred that it is my view-point that a lawyer

can complain as a lawyer of competition in such branches of service only as, under his license, he is presumed to possess an *exclusive* fitness to perform.

In the consideration of the final division of the subject, the trust department and its relation to the lawyer, I shall refer to many ties of mutual helpfulness which exist between us and which grow stronger with the years. I shall also mention, with such self-restraint as in this presence I ought to command, certain practices of a few trust companies which are *not* conducive to a mutual good will, but which, on the contrary, grossly violate the rights of the general public. I refer to the occasional encroachment of trust companies upon a field where special and technical qualifications ascertained and certified by the State are, under established public policy, regarded as a prerequisite to service in that field.

The business of the trust department may be roughly classified, with reference to the source of the authority exercised, into three main divisions.

In the first division is comprehended the variety of transactions growing out of the development of the modern corporation and the demand for a better safeguarding of corporate business. The service of the trust company as agent of underwriting and stockholders' syndicates, as depository upon the increase or reduction of capital stock, or under plans of reorganization, or upon the sale or exchange of securities, as fiscal agent for the payment of coupons and bonds, as trustee in corporate mortgages and as registrar and transfer agent of the shares of stock of other corporations, is so manifestly to be preferred to the service of an individual, or, in fact, of any other known agency, that it is now almost universally availed of by the experienced and careful lawyers.

The second of the three branches of trust department business embraces those cases where the confidence is imposed by an individual or individuals to whom the trustee is directly accountable. In this division fall most of the trusts growing out of the private relations of life, designed to be discharged during the lifetime of the creator of the trust. For example, all those cases of trust company control of property during the temporary absence or indisposition of the owner, the management of the separate estate of married women, the discharge of escrow appointments, and, in general, the carrying out of private stipulations and agreements.

Most assuredly the lawyer has no right to object when an individual, seeking either to divest himself of an irksome responsibility or to find some disinterested party to carry out conventional business directions, is attracted by the organization, the responsibility and the permanence of the trust company and its trust department. Neither may the lawyer object if the commission deliberately imposed by the individual is complicated rather than conventional and legal rather than commercial, but in such case he can and ought to insist that the draft of the legal document creating and evidencing the trust be regarded as law business of the most technical character, and that its preparation be accordingly surrounded with every protection as to disinterestedness which the ethics of the legal profession in such cases impose.

At this point, while we are considering the right of the client to the service of disinterested counsel, it seems proper to protest against the practice which has found support in a few trust companies of commanding power, of requiring all legal business in connection with their trusts to be carried on by their private counsel to the exclusion of counsel chosen by those who under the terms of the trust have the direct interest therein.

Nothing but the clearest expression in the instrument creating the trust could warrant such an interpretation of the trustee's privilege or the trustee's duty. Due protection in the execution of its trust should mark the boundary of the trustee's right to insist upon the service of its

private counsel. The extension of its right to reasonable protection in the discharge of its duties to the point of forcing into the office of its counsel all business connected with the trust conduces to extravagant and indifferent service. It has been suspected that the practice has in some instances resulted in the favored counsel rendering service to his real client, the trust company, for merely nominal fees in consideration of the business of involuntary clients thus acquired.

Fortunately the practice here condemned is countenanced in but few localities. It cannot be supposed that it will ever win general recognition. It runs counter to all the traditions of the legal profession and it will continue to meet, as it deserves, the vigorous protest of the members of the bar.

The third and final branch of trust department business to be considered is that wherein the accountability of the trust company is to or under the direction of the court. This includes service as executor, administrator, conservator and guardian, as testamentary trustee and as assignee, receiver or trustee of a business either insolvent or involved in litigation. It is in connection with those branches of business which have to do with the courts that the ambitions of certain trust companies have outrun not only their own capacities, but the elementary proprieties. This result has been due, in a measure, to a failure to distinguish between branches of employment which any willing and conscientious agent has a right to solicit and accept, and other branches the right to discharge which rests exclusively in special and technical education, coupled with a direct personal and summary responsibility to the court. With respect to all law business, the lawyer's responsibility is as exclusive as that of the surgeon or physician in their own fields. The trust company has no more right to do a particular thing when the thing itself is correctly denominated law business than it would have to prescribe for the sick or to compound a prescription when those technical functions are properly assigned to the doctor and the druggist. Throughout this paper I have endeavored to apply the simple test, "Is it law business?" and have as to the vast majority of trust company transactions answered the question in the negative. In my opinion the same result is reached when we apply the test to the office of executor, administrator, guardian, receiver, conservator and testamentary trustee. The trust company is ordinarily well equipped to accept employment of this character, whereas lawyers are more and more inclined to deem themselves ineligible. What the public has a right to insist upon is that no trust company or other corporation, directly or indirectly, put itself in the position of rendering legal services to any client, whether the client in question be an individual or a corporate appointee of the court. To illustrate: To serve as executor is not law business; but to draw a will involving a complicated distribution of a testator's estate is law business, and nothing else. For a lawyer to advertise for the privilege of drawing an important legal document in the hope of securing additional business through the opportunity thus afforded him might properly result in his disbarment. For a layman or a corporation to advertise for the like privilege, in the hope of the like reward, is not less objectionable because such advertisements on their face frequently disclose that no charge will be made for the self-serving act. Every client when he executes a will, makes an assignment or declares a trust has the right to have—indeed, it is imperative that he should have—capable, disinterested and responsible counsel. The responsibility to which the client is entitled is not merely that responsibility which expresses itself in dollars and in general reputation. It is the responsibility of an officer of the court—nothing less than this—a responsibility unfaithfulness to which involves the sacrifice of the very right to hold one's self out to others as qualified to exercise it.

Advertising to draw wills free of charge is typical of the class of so-called competition imposed by an occasional trust company upon the lawyers of the community. It would serve no good purpose to multiply illustrations. This one is typical of the thing that all lawyers, including those who champion, utilize and serve trust companies, resent. It cannot be met as competition, since lawyers may compete only with lawyers and then only in accordance with certain wholesome professional standards. It may, however, be fairly characterized to this distinguished and dominant association as a species of malpractice which in the interests of a growing interdependence and intimacy between you and us should be by you subjected to your own rigorous discipline and condemnation.

In its consideration I beg you not to be misled into the assumption that the presence of a lawyer or of many lawyers in the trust company organization renders the company eligible for the conduct of law business for clients. The trust company lawyer is simply the trust company's lawyer. As such he can give to his client, the trust company, the best that is in him in aiding it to a wise, safe and profitable conduct of its business. A multitude of legal questions having to do with the interest and responsibility of the trust company itself are presented in each of the five departments herein discussed. To have and serve acceptably such a client does great honor to any lawyer, but no lawyer should risk depreciation of his professional ideals by consenting to render decoy service for the luring of business to even his most important client. Let the trust company lawyer, and all lawyers, remember that the practice of the law is not a trade open to the community in general. The principles governing the practice of the law are clearly stated in a recent decision of the Court of Appeals in New York State rendered in the case of the Co-operative Law Company. It was there held that a general statute authorizing stock corporations to be formed for any lawful business did not permit an incorporation to practice law; the practice of the law not being a "business," but

a franchise and a public service, inseparable from the individual's personal worth. The Court says:

(*In re Co-operative Law Co.*, 198 N. Y., 479.)

"The practice of law is not a business open to all, but a personal right, limited to a few persons of good moral character, with special qualifications ascertained and certified after a long course of study, both general and professional, and a thorough examination by a State board appointed for the purpose. The right to practice law is in the nature of a franchise from the State conferred only for merit. It cannot be assigned or inherited, but must be earned by hard study and good conduct. It is attested by a certificate of the Supreme Court and is protected by registration. No one can practice law unless he has taken an oath of office and has become an officer of the court, subject to its discipline, liable to punishment for contempt in violating his duties as such and to suspension or removal. It is not a lawful business except for members of the bar who have complied with all the conditions required by statute and the rules of the courts. As these conditions cannot be performed by a corporation it follows that the practice of law is not a lawful business for a corporation to engage in. As it cannot practice law directly, it cannot indirectly by employing competent lawyers to practice for it, as that would be an evasion which the law will not tolerate."

On the one hand, the lawyers must not confuse the issue by complaining of alleged competition in that which is not law business at all, but should limit their protest to the assumption by trust companies of such business as is clearly and exclusively law business. On the other hand, the trust companies should observe in letter and in spirit the reasoning of the decision I have quoted and decline to perform or to hold themselves out as competent to perform any business which is clearly and technically law business. Under such conditions nothing can prevent a perpetual alliance between the trust companies and the lawyers in the benefits of which the community will inevitably and abundantly share.

Committee Reports—Trust Company Section.

Report of the Executive Committee, by F. H. Fries,
Chairman.

To the Members of the Trust Company Section of the American Bankers' Association:

The year just closing has been one of unusual interest and importance to the Trust Company Section of the American Bankers' Association. The membership has increased in numbers and influence, and the officers and respective committees of the Section have had to deal with questions of vital concern to the Section and importance to its members. It now numbers 1,137, and includes approximately 63 per cent. of all the trust companies of the country. It is gratifying to note that a majority of the large and influential trust companies all over the country are interested and active members, and that the Trust Company Section now represents four-fifths of the entire trust company assets of this country, aggregating \$5,000,000,000, besides the \$30,000,000,000 of property that is estimated to be held in trust by them.

At the meeting held last year in Los Angeles a resolution was introduced looking to an amendment of the By-Laws of the Section, changing the manner of the election of vice-presidents of the Trust Company Section; this amendment has been duly offered and will come up for final action at this meeting. It is thought that this change will enlist more interest and perhaps better organization among the trust companies of the various States, and for these reasons it is desirable that it should be enacted.

At the meeting of the Executive Committee held in Nashville, Tenn., May 2, 1911, the following resolutions were passed, creating the "Trust Company Committee on Legislation":

"Whereas, Important legislation is pending before the people of this country affecting more or less vitally the interests of trust companies, which may from time to time require prompt attention. Now, therefore, Be it Resolved, That the President of the Section be authorized and directed to appoint a Committee of Five (5), to consist of the President and First Vice-President and the Chairman of the Executive Committee and two (2) other members of the Section, in whom shall reside the authority to hear and consider recommendations for pending legislation touching upon or likely to affect the interest of trust companies, and with further authority to make recommendations thereon whenever important legislation is pending before the people of the country affecting more or less vitally the interests of trust companies, which may from time to time require prompt attention.

"Now, therefore, Be it Resolved, That any actions or expressions of opinion on trust company matters as mentioned in the preceding resolution by trust company officers or others interested in such institutions, shall have weight and influence as regards the members of this Section only in so far as they may coincide with and have the express approval of this Committee.

"Further, Resolved, That the name of this Committee shall be the Trust Company Committee on Legislation, and that vacancies shall be filled as they occur by the then presiding President of the section, and this committee shall continue until dissolved by the act of the Executive Committee."

This Legislative Committee, composed of Oliver C. Fuller, President of the Wisconsin Trust Company, Milwaukee, Wis.; L. L. Gillespie, Vice-President Equitable Trust Company, New York City; F. H. Fries, President Wachovia Bank and Trust Company, Winston-Salem, N. C.; F. H. Goff, President Cleveland Trust Company, Cleveland, Ohio; Ralph W. Cutler, President Hartford Trust Company, Hartford, Conn., has found so much important work to do for the Section that it is recommended that it shall become a standing committee of the Section and that proper steps be taken to this end. The necessity for the Legislative Committee of the Trust Company Section was made quite evident when the proposed Aldrich Bill was taken up by your Executive Committee and seriously discussed from the trust company standpoint.

The admission of State banks and trust companies into the Reserve Association raised questions that had to be carefully considered, and along these lines the Committee has done hard and efficient work, as their report will plainly show. They have been received most cordially by the members of the committees of the American Bankers' Association and the National Monetary Commission, and have aided in solving some of the questions that have confronted those who were seeking to solve this important and difficult problem.

The report of this Legislative Committee has been put upon the program that you may hear what has been done by them and see the advisability of continuing the work.

Early in the year it was ascertained that a bill had been in-

troduced in Congress allowing payment of internal revenue and import duties with certified checks on National and State banks, that trust companies had been also named in the bill, but subsequently stricken out. By prompt and diligent work on the part of your officers and committees this injustice was corrected, and it finally passed the Senate with trust companies included. This was especially gratifying because it was a matter in which quite a number of our members were directly interested.

The Committee on Protective Laws has continued its valuable and important work and has added several States to those heretofore reported as willing to protect themselves and their banking institutions against the improper use of the words "Trust," "Trust Company," "Bank," "Banking," etc., in the corporate names of improper and unworthy companies seeking charters. The failure to pass this law in many other States has been due in part to the lack of interest on the part of the officers, directors and stockholders of trust companies and banks who should be most interested in the protection offered. We would like to call the attention of the members to this important matter and ask them to assist in the further passage of this law.

Following the spring meeting of the Executive Council in Nashville, Tenn., the Trust Company Section gave a most notable and enjoyable banquet at the Waldorf-Astoria Hotel in New York City, at which about six hundred and forty trust company officials and their friends were present. The officers of the Association, the retired presidents and present officials of the Trust Company Section and very many men of note and prominence were gathered to hear Hon. Nelson W. Aldrich, Chairman of the National Monetary Commission, discuss "The Relation of Trust Companies to Monetary Reform," and Hon. A. Barton Hepburn, President of the New York Clearing House Association, upon the subject of "Trust Companies and Clearing Houses." The occasion has been spoken of as the most successful of its kind ever given in New York City, while the splendid addresses commanded the undivided and appreciative attention of the entire company.

The presence of so many trust company officials gave opportunity for important committee meetings, and the following day was given up almost entirely to the discussion of the Aldrich Bill and the effort to reconcile all differences upon that subject. The present bill provides for the admission into the Reserve Association of State banks and trust companies upon the same terms and conditions as National banks, and in this respect is largely the result of the efforts put forth at that time.

It is proper to say here that the officers of the Trust Company Section, as early as June last, succeeded in preparing a very interesting and elaborate program for this meeting in which more than one-half the time was to have been given to the very important and interesting subject of the Aldrich Bill. Subsequently the officers of the General Association suggested that it be made the subject of discussion on the floor of the general convention, and that Mr. F. H. Goff, of Cleveland, O., who was to have spoken on this subject for this Section, be transferred to the general program to present there, "The Relation of State Banks, Savings Banks, and Trust Companies to the National Reserve Association." This suggestion was agreed to.

At a recent meeting of the officers of the Trust Company Section it was learned that the meeting of the various Sections had been changed from Wednesday to Thursday. It was also learned that the principal entertainment furnished by the New Orleans bankers had been scheduled for Thursday afternoon, which will necessitate a short meeting of the Trust Company Section, or the members will have to forego the pleasure of the Mississippi River trip. This is the reason that nothing has been inserted into the program to take the place of the paper and the discussion on the Aldrich Bill. Your officers tried to change the day, but were unsuccessful.

Should the members show the same interest in the welfare of the Section as on former occasions, they will doubtless prefer to forego the pleasure of the trip prepared by our hosts and take advantage of the occasion to consider together a matter that concerns them so greatly, especially as they will have had the opportunity of hearing the fifteen well-prepared papers that will have been presented on the floor of the General Association on the two preceding days, and for that reason may be the better prepared to discuss the trust company phase of the subject. Perhaps nothing will be of greater interest, and if so nothing can prevent the meeting from being a success.

Respectfully submitted,

EXECUTIVE COMMITTEE.

By F. H. FRIES, Chairman.

Report of the Trust Company Committee on Legislation, by Oliver C. Fuller.

To the Members of the Trust Company Section:

GENTLEMEN: Your Committee, appointed at the meeting of your Executive Committee, held at Nashville, Tenn., on May 2, 1911, began its duties immediately by submitting to the Currency Commission of the American Bankers' Association a copy of a resolution adopted by your Executive Committee on the same day, which resolution was as follows:

"Resolved, That the Executive Committee of the Trust Company Section of the American Bankers' Association heartily approves the plan proposed for the organization of a National Reserve Association and of the modifications thereto suggested by the Special Committee appointed by the Currency Commission of the American Bankers' Association, at its meeting held in Washington, March 28, 1911, especially that portion of the report of the Special Committee defining the terms upon which trust companies may subscribe to capital stock of the National Reserve Association. This approval, however, being subject to the following exceptions:

"First. As to reserves required to be maintained by trust companies in central reserve cities, and reserves required to be maintained against trust funds not subject to immediate withdrawal.

"Second. As to amount of paid-in capital to be required of trust companies proposed in the report of the Special Committee.

"Third. As to limitations upon character of notes that may be discounted by the National Reserve Association."

Your Committee also submitted a copy of the same resolution on the following day to the Executive Council of the American Bankers' Association, then assembled for the purpose of considering the adoption of a resolution approving the Aldrich Plan of Monetary Legislation, as modified by the Currency Commission of the American Bankers' Association, and the report of the Special Committee of the Currency Commission for extending the benefits of the plan to State banks and trust companies. Your representatives in the Council took the position that they could not vote in favor of such a resolution without an understanding that the report of the Special Committee, about to be adopted, would thereafter be so modified as to meet the objections raised on behalf of the Trust Company Section by your Executive Committee. Having reached an understanding to that effect, the Council members of your Committee voted for the following resolution, which was unanimously adopted:

"Resolved, That the Executive Council of the American Bankers' Association heartily approves the Plan for Monetary Legislation suggested by Hon. Nelson W. Aldrich, as modified by the Currency Commission of the American Bankers' Association; and the principle set out in the report of the Special Committee of the Currency Commission for extending the benefits of the plan to State banks and trust companies. We firmly believe that it is thoroughly practical, fundamentally sound and comprehensive and that if enacted into law it will correct all the principal defects of our present banking and currency system."

Following the meeting of the Council, conferences between members of your Committee and members of the Currency Commission and of its Special Committee were held almost continuously while in Nashville and on the special train en route to New York, in an endeavor to adjust, if possible, all differences in views between the Committees. On the morning following the trust company banquet in New York your Committee and the Special Committee of the Currency Commission held a joint meeting in the Waldorf-Astoria Hotel, which lasted practically all day. That meeting resulted in a tentative agreement between the members of the two Committees on all points at issue, in so far as it was possible to agree, and a Committee of Two, consisting of Mr. John Perrin and the chairman of your Committee, was appointed with authority to revise the report in accordance with the understanding reached. That report, so revised, is dated New York, May 6, 1911, and is addressed to Mr. James B. Forgan, Vice-Chairman of the Currency Commission of the American Bankers' Association. Printed copies may be had on application to your Secretary, therefore your Committee deems it unnecessary to insert herein the report in full, but only that part relating particularly to trust companies, which is as follows:

"That a trust company which is incorporated under the laws of any State, in accordance with the requirements of which it has been examined and has published statements of its condition, or, in the absence of such requirements of State laws, upon approval of the Executive Committee of the National Reserve Association, may subscribe to the capital stock of the National Reserve Association in the same manner and under the same conditions as prescribed for National banks, and such subscribing trust company shall become a member of a local association and have the same rights and privileges therein as if it were a National bank; provided—

"1. That a trust company shall have an unimpaired surplus of not less than 20 per cent. of its capital, and if located in a city of 25,000 inhabitants or less shall have a paid in capital of not less than \$100,000, and in a larger city a proportionately greater capital up to \$500,000 in a city of 500,000 inhabitants or more.

"2. That it shall have and agree to maintain against its demand

deposits a reserve of like character and proportion required of a National bank in the same location; provided, however, that deposits which it may have with a State bank, a savings bank or a trust company, in a city designated in the National Banking Act as a reserve city or a central reserve city, whose paid-in capital is not less than the minimum amount required for a National bank in such city, and in the case of a trust company not less than that heretofore specified for a trust company in such city, and which is a member of a local association, shall count as reserve in like manner and to the same extent as similar deposits of a National bank with National banks in such cities. Provided further, that liabilities for deposits payable beyond thirty days, for savings deposits subject to notice of sixty days or more and for moneys held in trust which, under the conditions of the trust, are not made payable within thirty days shall not be subject to the reserve requirements provided for demand deposits.

"3. That it shall agree to submit to such examinations and comply with such requirements as may from time to time be prescribed by the National Reserve Association."

Upon learning that the National Monetary Commission was planning to hold meetings in a number of cities in different sections of the country to hear and discuss suggestions from bankers and others in the several localities, your Committee was called together and held a meeting in New York City on October 10 for the purpose of determining what further action, if any, it should take in the performance of its duty. After a full discussion it was decided to address a letter to representative members of your Section residing in the several cities in which the meetings of the Currency Commission were to be held, giving them the views of your Committee and asking them to attend the hearings and to take such part as to them seemed best in any discussion concerning the relation of trust companies to the proposed monetary legislation.

Besides the formal meetings of your Committee referred to, members of your Committee have had a number of informal conferences with members of the Currency Commission of the American Bankers' Association, members of the National Monetary Commission and others, and desiring to be informed as fully as possible of different views on the subject matter of this report, your Committee has corresponded with many members of your Section, including your Vice-Presidents in nearly every State.

In the suggested Plan for Monetary Legislation recently revised and submitted to the National Monetary Commission by its Chairman, Mr. Aldrich, it will be observed that the conditions upon which trust companies may subscribe to the capital stock of the National Reserve Association are substantially the same as those recommended in the Special Committee report of the Currency Commission of the American Bankers' Association.

Your Committee will not venture so far as to express the belief that those conditions will prove entirely acceptable to all the members of the Trust Company Section. Views will naturally differ according to the differences in the laws and conditions in the several States in which your members are located and in accordance with the character of business done by them, and your Committee feels that with such wide differences existing it would be impossible to devise a plan or to frame a law that would suit all and that it might be impossible to suit some without so far departing from some of the fundamental principles of sound banking as to endanger the whole financial structure. After having given the best consideration possible to the matter, your Committee has reached the conclusion that the plan as a whole ought to be acceptable to trust companies doing a discount business. To the extent that the nature of their business and the laws of the several States creating them will permit, every advantage, privilege and facility afforded National banks under this plan may be enjoyed by trust companies.

Respectfully submitted,

OLIVER C. FULLER, *Chairman*,
L. L. GILLESPIE,
F. H. FRIES,
F. H. GOFF,
RALPH W. CUTLER.

Report of the Committee on Protective Laws, by Lynn H. Dinkins.

New Orleans, November 23, 1911.

To the Chairman and Members of the Trust Company Section:

During 1911, the General Assemblies of forty-two States have been in session, and the General Assembly of the State of Vermont's 1910 Session was held after the Los Angeles Convention, so that your Committee has had ample material to engage its attention. In as much as a large majority of these States had already made adequate provision protecting the use of the word "Trust," and providing for State Examinations, your Committee has endeavored to be of service in various directions in addition to the two features to which its energies in the past had been principally directed.

We find that the provisions of the Postal Savings Bank law, which restrict deposits in State institutions to localities in

which there is State Supervision of Banks, will have a tendency to assist the Committee in securing supervisory legislation in certain of the States which have hitherto opposed such enactments. Another interesting result of Postal Savings legislation is that the Banking Department of some States, acting under instructions from their several legal advisers, have notified the institutions under their direction that it would be contrary to existing laws for them to pledge security in order to obtain Postal Savings deposits. One State, California, amended its banking laws so as to allow savings banks to supply such security.

Among the favorable results obtained from Legislatures in which Trust Companies are concerned, the Committee calls attention: To the new banking laws providing for State supervision passed in Alabama, Idaho and Utah; to section 96 of the California law eliminating requirements that securities deposited by Trust Companies must be registered in the name of the State Treasurer officially.

In Delaware and Florida satisfactory acts protecting the use of the word "Trust" were passed, and in Delaware the supervision of the Insurance Commissioner was extended so as to cover Trust Companies.

In Maine, it was provided that Trust Companies receiving savings deposits shall segregate assets at least equal to the aggregate amount thereof, such assets to be held for the security and payment of such deposits.

Nebraska and Nevada both passed laws authorizing the organization of Trust Companies, defining their powers, duties, privileges, etc.

South Dakota passed a new and improved Trust Company act.

In Wisconsin an act was passed, providing that all records of original entry should be kept in permanently bound books, thus eliminating the use of the so-called card systems.

The Committee was unable to secure desired legislation in Arkansas, North Carolina, Georgia and South Carolina.

During the year, eleven States added to their legal holidays Columbus Day—October 12.

North Dakota has restricted the amount which banks may invest in banking house, furniture and fixtures.

An interesting development of the year was the action of the New York Clearing House in admitting Trust Companies as members without requiring them to hold one-quarter of their demand deposits in cash.

Respectfully submitted,

RALPH W. CUTLER,
F. H. GOFF,
P. C. KAUFFMAN,
E. J. PARKER,
LYNN H. DINKINS,
Committee on Protective Laws.

Report of the Secretary of the Trust Company Section.

To the Members of the Trust Company Section, American Bankers' Association:

Gentlemen: I beg to submit herewith my report for the year ending August 31, 1911.

The financial statement from September 1st, 1910, to August 1st, 1911, is as follows:

CREDITS.

Oct. 6, 1910.	By appropriation of Executive Council.....	\$7,500.00
"	" sale of 12 copies Trust Company Laws....	28.52
"	" sale of 8 copies Proceedings 1896 to 1903	23.25
"	" sale of 7 copies Proceedings 1903 to 1908	20.25
"	" received account overpayment of salary..	8.35
"	" sale of 1 copy of State Banking Statutes	.90
"	" received account postage and stationery..	34.85

\$7,616.12

DISBURSEMENTS.

Rent.	\$ 660.00
Salaries.	3,636.81
Postage, stationery and printing	453.22
Convention expenses, 1910	378.42
Sundries.	58.12
Expenses of L. L. Gillespie (Chairman Executive Committee)	50.00
Proceedings 1910	1,164.46
Badges for retiring President and new Exec. Committee..	33.50
Executive Committee meeting, Nashville	937.73
Travelling expenses	59.10
Telephone and telegrams	9.39
Department expenses, ice, water and towels.....	19.57

\$7,460.52

Total credits \$7,616.12

Total disbursements 7,460.32

Credit balance \$ 155.80

The book of "Forms for Trust Companies" continues to meet with satisfactory sale. The cost of this publication to date (covering 500 complete books and 500 books printed but not bound), including express charges, descriptive circulars, postage, etc., was \$569.56, while the receipt for books sold (394 at \$15 each, and 11 at \$20 each), has been \$6,130, showing a net profit to the Section of \$873.28. This amount is applicable to binding the 500 books on hand, which will probably be needed within the next six months.

Your President and Chairman having referred to the Trust Company banquet, it seems proper to say, in order that there may be no misapprehension on the part of our members, that the entire cost of this banquet was paid by those in attendance subscribing for tickets, and that no part of our appropriation was used in connection therewith.

The present membership of the Section is 1,137. It is gratifying to know it is the largest in our history and it should be borne in mind that each year the increase becomes more difficult, since the field from which we draw our members naturally becomes more limited.

You will find in your seats a printed list of this membership by States. States having more than five members are entitled to a Vice-President.

During the year I have endeavored to make the Section of continual benefit to its members, both by correspondence, by articles published each month in the "Journal" of the Association, and by furnishing information to papers interested in Trust Company matters.

Respectfully submitted,

P. S. BABCOCK, Secretary.

Detailed Report of Proceedings.

Sixteenth Annual Meeting TRUST COMPANY SECTION, Held at New Orleans, La., Nov. 23, 1911

THURSDAY, NOVEMBER 23, 1911.

President Fuller: The sixteenth annual meeting of the Trust Company Section will now come to order.

The meeting will be opened with prayer by the Rev. Dr. Barr, rector of Christ Church of this city.

Prayer by REV. DR. WILLIAM ALEXANDER BARR, Rector of Christ Church, of New Orleans.

Almighty God, in Whom we live and move and have our being—We adore Thee that through Jesus Christ, Thy Son, we have been taught that Thou art to be worshipped neither in the mountain nor in Jerusalem, but in spirit, and that Thou art always around us and in us, and in Thy light we may see light. We thank Thee that Thou art found not only in stately temple, but in all places everywhere, and that on the street, in the office and the counting room, Thy voice is ever to be heard if we have the ear to listen. Thou hast taught us that our life in this world, when truly interpreted, is a trust; that everything we have is given to us to so use as that we shall not be ashamed when called to give an account of our stewardship. Thou hast committed to each of us a talent to be employed faithfully, and if we treat our lives as a trust and are faithful to Thy teachings, it will be made manifest to us at the last that we have made the use of it that Thou wouldst have us to make.

We beseech Thee to guide and direct the deliberations of this body and that each man who participates in this meeting may feel that Thou art present. Direct these men, O Lord, in all their doings by Thy most gracious favor and may they glorify Thy holy name. Through Jesus Christ. Amen.

President Fuller: Gentlemen, I take pleasure in introducing the Hon. Charles Payne Fenner, who will welcome us to Louisiana and New Orleans.

Address of Welcome, by Hon. Charles Payne Fenner.

Mr. President and Gentlemen: I appreciate the privilege that has been accorded me to express to you the pleasure which we of the State of Louisiana and the city of New Orleans feel at having you with us on this occasion. I apprehend, however, that by this time you must be too well assured of your welcome to make it necessary or appropriate that I should consume much of the time allotted for the consideration by this Section of the Association of the grave questions which will doubtless be submitted to you at this meeting in telling you what you already know and in repeating what has already been well said on another occasion by the Governor of the State and the Mayor of our city, speaking as they did with the authority which attaches to their respective capacities. Nor do I deem it appropriate that at this stage of your proceedings I should undertake to exploit to you the greatness of our State and city, the extent and variety of our products and our industries, and, least of all, the rare opportunities for safe investment that are here afforded for any surplus capital which any of you may own or control. Assuming that you are blessed with the sense of hearing, even of average acuteness, I think it may be safely assumed by this time that you know all about those things. I might venture, however, in this connection to make one single suggestion, which is, that if any of you up to this time have by chance overlooked among our native products the celebrated gin fizz and the sazarac cocktail, I assure you that they present opportunities for a very safe investment, yielding always a very satisfactory return. (Laughter and applause.)

It is, of course, perfectly natural that we should welcome you to New Orleans and to the State of Louisiana very enthusiastically. We appreciate, in the first place, the compliment which is implied in your selection of this city as the place for holding this great convention. We appreciate, in the second place, still more highly, the privilege which your presence here during this week affords us of personally meeting and exchanging ideas with so many distinguished representatives of the great financial institutions of our land. Belonging as I do to another profession—and I say another profession advisedly because, in my judgment, banking is really entitled to be called a profession—I may be permitted to say that the bankers of this country, or of any civilized country, occupy by reason of the great public responsibilities that rest upon them, and the private responsibilities, a very distinguished position. It is a truism which no man will venture to deny that no permanent success as a banker can be achieved by any man who does not enjoy the confidence of the people in the community in which he lives. Real and permanent success as

a banker is, therefore, rightly deemed a sort of patent of ability, and, what is of much more importance, of character. The bankers of a community occupy the position of advisers to their fellow citizens to a large extent, and in your influence upon public sentiment it seems to me that you occupy a position second only to that of the law. Now, a position of this sort carries with it grave responsibilities of both a public and a private character. To the glory of your calling be it said that these responsibilities have been generally recognized and discharged by the bankers of the country. The successful banker must, in the nature of things, be a public-spirited man. He cannot afford to take narrow or selfish views of things. He must be a well-informed man; he cannot afford to be ignorant. Occupying the position of a sort of guardian to the commercial reputation of the community in which he lives he must perforce insist upon a high standard of commercial honor and integrity in his constituents. When, therefore, we have assembled among us leading representatives of the banking interests of the various sections of the country we may rightly congratulate ourselves on the fact that we are entertaining leading citizens of all sections of the country. Hence it would be very strange if we were not glad to have the opportunity of meeting such a body of men.

Finally, gentlemen, we are glad to have you among us because it affords you an opportunity to become acquainted with our people, with their habits of life and thought, with their points of view, their hopes and their aspirations. This is a big country with its vast extent, its varied climate and soil and differing interests. It is not surprising that there should come up occasionally sectional differences. We all of us thank God that the serious differences of the past have been forgotten and outlived; and so far as I can see, we have no better guarantee against a recurrence of such animosities in the future than is afforded by such gatherings as we have had during this week when representative men from all sections of the United States meet together at a common point—now in the South, now in the North, now in the East and now in the West—and commingle together and discuss their common interests. I believe that beyond the specific questions which may be debated and settled wisely at such meetings these gatherings tend to obliterate sectional disputes, broaden our intellectual horizon and inspire a more unselfish patriotism—a patriotism knowing no North, no South, no East, no West, but which comprehends within its scope every inch and every interest of our common country.

With these sentiments, gentlemen, on behalf of the State of Louisiana and on behalf of the city of New Orleans, I extend to you a most cordial welcome. (Applause.)

President Fuller: It is with peculiar pleasure that I introduce to you now a very good friend of the Trust Company Section and a valued worker for its success, and a citizen of your city, Mr. Lynn H. Dinkins, who will welcome us on behalf of the Trust Companies of Louisiana. (Applause.)

Address of Welcome, by Lynn H. Dinkins, President of the Interstate Trust & Banking Company, New Orleans.

Having met with you in many other cities, and having shared the hospitalities of many other regions, I find a keen personal pleasure in bidding the Trust Companies of the United States welcome to Louisiana.

Most of the managers of our own Trust Companies believe, moreover, that the commercial expansion of New Orleans and the farming and industrial development of the whole rich, unexploited region surrounding it, in several States, would be hastened if the wealthier Trust Companies in the "finished" parts of the country could be made better acquainted with actual conditions here. No locality in the world has suffered more from crippling traditions than this of ours. Some of these traditions were always untrue; some, unfortunately, were based on solid, obstinate facts, many of which have been entirely removed. Traditions usually survive the circumstances that give them birth, and nothing but free intercourse and actual contact with people, places and things themselves can destroy our old conceptions of them. We, in this part of the country, have some traditions of which we are proud, and the facts underlying them are still with us. The origins of the other conceptions of us are merely part of our history.

New Orleans, itself, has lived 200 years without considerable loss from floods. The rich fields behind the upper and lower reaches of the big river have already been so far protected

by the extension of a massive system of barriers that destructive overflows have now become unusual events and ceased to be common occurrences.

New Orleans has lately emerged from a mediaeval plane of municipal utilities. She has consummated one of the most comprehensive plans of modern watering, draining and sewerage, that has been projected in the United States. The completion of this system has elevated her from the village level to the proper position of a city of the first rank in public sanitation. The same spirit, now fully astir in the State at large, is promoted by Louisiana's Board of Health, with an aggressive resourcefulness, throughout the towns and parishes that has attracted the attention of sanitarians all over the country.

The spectre of yellow fever has been driven into the shades of the past by the establishment of the mosquito theory. The screening of occasional cases of fever, or suspected fever, that have found their way into the port has for six summers kept the city absolutely free of a disease that was once the accepted, commonplace scourge of our people, and the mysterious terror of the rest of the country.

The development of our processes for sanitation, the dissipation of the fear of epidemic, the prevention of flood, have been paralleled by the quick development of a system of common schools that embraces all grades, from the kindergarten to the university, and includes three or four well-equipped agricultural and industrial institutions in the centre and at the upper and lower corners of the State. This, in itself, means more to Louisiana than most of you gentlemen can understand; for the development of the public school, today the first concern with all our parishes, is a much later development with us than in your own commonwealths.

These rapid and radical improvements in the conditions of living for all ages, and for the child in particular, are coming finally to be understood abroad. The past few years have accordingly rendered us the added benefits of a heavy influx of young, active, ambitious, homeseekers who would profit by the natural opportunities we offer to industry and thrift, but hesitated in the old days because of the disabilities our conditions presented to them.

New Orleans and Louisiana, in a word, have advanced further in the past fifteen years, in all the fundamental particulars of which I speak, than in the previous 150 years of their existence. They are finding their pace only today, and they will go faster and further in the next fifteen years than they have come in the past hundred. You will notice many things lacking in our city and our State which your cities and your States possess. This is the best guarantee of the superior opportunities we have to offer. Our people are on the march; they are awake to their needs and determined to do. We started later, but we are moving faster, for such is the law of progress when the spirit of progress is born.

Louisiana's soil, for the most part, is peculiarly rich and fully adapted in its several sections for a very wide range of crops outside of the staples which have, in the past, been its chief productions. The values placed on her lands are so low that it is often possible for a competent and thrifty farmer to make enough profit on the crop of a single season to cover the first cost of his farm. Ours is the last of the great undeveloped areas of the United States to offer itself to the pioneer. It presents conditions in this respect which are unusual in the country at large and not likely to continue with us any longer than the time the facts become fully understood through such gatherings as this.

You know as much as I of our cotton, sugar and rice; you know what our cotton crop has been, how we have suffered with it, and how we have profited by that blight by waking to broader methods of farming. You know that we produce about 350,000 tons of the 2,000,000 tons of sugar that the American people use in a year, that our crop is large this season, and that the price of it is high. You know that our rice crop exceeds that of any other State.

You probably do not know, however, that big fields of orange trees are springing up in growing numbers from the heavy black soil between here and the Gulf, and that this fruit is of very fine quality, by comparison with that grown in other parts of the world. You may not know that the country just above the city has already demonstrated its fitness for variegated trucking that will supply the easily reachable markets of St. Louis and Chicago and the lesser cities of the North.

We have within the borders of our State about four-fifths of all the cypress timber now standing in this country. This cypress, at the present rate of use, will have been worked into manufactures within the next ten years. A cypress tree ages slower than Methuselah—it does not reach maturity for 900 years. We do not expect, therefore, in our generation, to realize on the next crop; but do feel that we are going to profit richly from the present supply.

The wetting of the dry lands of the West, which cannot possibly equal ours when they are wet, is now the commonplace object of millions of dollars of conservative investment. The drying of the wet lands of Louisiana is a development of only a few years, practically unknown to most of you, but

productive of the most positive results to the pioneers who have put their money and intelligence into it. A large part of the overflowed land of Louisiana will be under cultivation in a few years, and every square foot of it, over many great areas, is merely the top to a pillar of rich black soil that reaches down hundreds of feet below—the inexhaustible product of the decomposition of the vegetable and mineral matter laid down through hundreds of thousands of years by the silting of the greatest river on the continent. This sounds, I know, more like promoter's talk than conservative Trust Company talk; but the subject is big. A really big subject requires big talk to describe it properly. To discuss so big a subject as this in little terms is just as unconservative as to discuss a little subject in big ones.

Louisiana is the only State in the Union whose legal processes do not follow the English common law, our jurisprudence, for the most part, is governed by the Roman law. The circumstances sometimes halt for a moment the outsider who comes to do business under the protection of our courts; occasionally it intimidates him. The Roman law, however, as a matter of fact, is simpler than the common law, more easily understood by everybody and more certain in its results. The conceptions of both systems have been blended in cases where modern requirements demand it. I, myself, am a native of the common law State of Mississippi, and have done business in several other common law States. The law of Louisiana suits me, as a Trust Company manager, and I believe the legal department of any Trust Company would be both interested and benefited by a study of our processes. Only one feature of the Roman law operates against our business. Its policy is against leaving estates in trust for long periods, and thus limits, to some extent, this field of our operations.

The fiscal system of New Orleans may also interest you, in that part which cares for the city debt. This whole function is lodged with a self-perpetuating commission, on which only a few of the elective officials of the city are members, these by virtue of their offices. Each issue of our bonds is protected by sinking fund provision which retires them in much the same way as bonds are retired under the present popular serial maturity corporation plan.

You will find us architecturally behind your own times—but when I came here sixteen years ago there was only one office building in the city, and a majority of the biggest and best of our buildings for this and for other purposes have risen during the past few years. You may find us disappointing in other particulars, but recall the limitations which have checked our development until now, and remember that they are all removed. And, take our assurance for it, those of us who appreciate what you have done and are doing, North, East and West, that there are some aspects and conditions of life here which we would not change if we could.

It is my own opinion that Louisiana offers the investor and homeseeker of today as many favorable opportunities for profit and happiness as any other section in America, and more opportunities than most other sections. For what it is and is not, though, we welcome you again, in the hope that you will enjoy your visit and go back and tell your people that "you came among us and we took you in," and that you rather liked the experience.

Response to Addresses of Welcome and Annual Address of the President, Oliver C. Fuller.

On behalf of the Trust Company Section of the American Bankers' Association, I thank you, Mr. Fenner and Mr. Dinkins, for the welcome which you have so gracefully and cordially extended to us.

The few days that we have already spent in your city, Mr. Dinkins, have given us more than a taste of that open-handed hospitality for which New Orleans is justly famed, and those of us who were so fortunate as to have attended the former meeting of the Association in this city are delighted to be with you again. Your picturesque old city contains so much of interest to every American citizen, her history is so replete with events that are part and parcel of the story of our nation from its very birth to the present time, that a simple invitation to sojourn awhile within her historic gates is a privilege in itself, and you may be sure that we will all return to our homes full of appreciation and of delightful memories of all that we have seen and partaken of while here. To those of us who have not visited your city since 1902 there are many indications that your city has grown and her people prospered greatly in the meantime, and we believe you are destined to enjoy even greater progress and prosperity within the next decade. We sincerely hope that your greatest expectations from the effect of the completion of the Panama Canal will be fully realized and that New Orleans will be in time not only what she now is, one of the great cities of this country, but one of the greatest cities of the world.

The Section of the American Bankers' Association represented by those present here today has made great progress since its former meeting in this city. Our records show that the membership of the Trust Company Section, at that time 422, has steadily increased, until it is now 1137, and the banking re-

sources of its members, now more than four billions of dollars, have more than doubled in the meantime.

Not since this Section was organized, fifteen years ago, has any year been so full of events of moment to its members as the twelve months following our last annual meeting. Among these, perhaps the one that caused the most apprehension to some of our members was the putting into operation of the postal savings bank, but now that nearly a year has passed since the first of this new class of banks was opened for business those who were most alarmed over the imaginary harm from that source now regard with complaisance this latest innovation of our paternal government.

Some apprehension was caused also by the report of the Secretary of the Treasury to Congress containing a recommendation that National banks be given Trust Company powers, and when shortly afterwards Senator Aldrich submitted to the Monetary Commission the first draft of his proposed plan for a National Reserve Association, in which he provided for two new forms of National banks, one of which was to be in effect a National Trust company, your Executive Committee concluded that it was time this Section had a Legislative Committee of its own to look after national legislation affecting the interests of its members. At the spring meeting in Nashville such a committee was appointed, and its report will be read to you later on in these proceedings.

An occasion of very great interest and, indeed, I might say of considerable importance to your Section, was the banquet given under the auspices of the Trust Company Section at the Waldorf-Astoria Hotel in New York on May 5 of this year. The attendance of representative Trust company officers and bankers from all parts of the United States and the addresses, particularly that of the Chairman of the National Monetary Commission on the "Relation of Trust Companies to Monetary Reform," being the first public statement of his views on that subject, made the occasion a notable one and the affair an unqualified success—so great a success, indeed, that it was suggested by many in attendance that such a banquet should be held annually thereafter.

I recommend that your Executive Committee give this suggestion due consideration at its next meeting, and I also recommend that at the same time there be taken up for consideration the question of a suitable time for holding the annual meeting of this Section of the American Bankers' Association.

According to the records, our Section has never had for long at a time any fixed time of meeting. For several years after the Section was organized our meetings were held on Tuesday of the convention week. In 1902 the day of our meeting was changed to Monday. In 1904 it was changed again to Tuesday. In 1909 and 1910 Wednesday was assigned to us, and this year we find ourselves meeting on Thursday.

Since the organization of the Trust Company Section in 1896 four other Sections have been organized, and I believe still another is in process of forming. These so-called "Sections" are becoming so numerous and the Committees of the General Association have so multiplied in number and in importance that it seems impossible to allot to all of them time enough within one short week for their several meetings without overlapping or conflicting with one another or with the meetings of the Association itself. Under the present arrangement a member interested in the work of more than one Section, who desires to attend, for instance, both the Savings Bank Section and the Trust Company Section meetings, cannot do so because they are held at the same time. Consequently neither of them is as well attended as it should be, and as each of them undoubtedly would be if held at different times.

The substantial work accomplished by your Section during the past year will be fully set forth in the reports of your Secretary and of the Chairmen of your several committees; therefore I will not consume any of the limited time allotted to them this morning by dwelling upon matters which you will hear in detail later on.

To my fellow officers, to the members, and especially to the able Chairmen of the committees, I feel greatly indebted for the hearty co-operation and good advice that I have enjoyed in all matters pertaining to the welfare of this Section during the term in which I have had the pleasure and the high honor of serving as your presiding officer.

Gentlemen, I observe that Mr. Watts, the President of the American Bankers' Association, has honored us with his presence this morning, and I am sure we would all be pleased to hear a word from him. (Applause.) Mr. Watts, we will be pleased to have you address us.

Remarks of F. O. Watts, President, American Bankers' Association.

Mr. President and Members of the Trust Company Section: I had not purposed to take any part in your meeting other than as a spectator, but both as an official of the American Bankers' Association and also as a Trust Company official, I am interested in the work of this Section.

I believe it is unnecessary for me to say to those who have been even casual observers during the last four or five years that through close personal association with some of the men

charged with responsibility in your section and through a continued interest in what has interested the Trust Companies of America, I have been in full sympathy with the work of the Trust Company Section. It is possible that my actions at times have not been above just criticism, but it is more than probable that if at all times there could have been a thorough understanding there would have been no differences, and that you and the Chairman of the Executive Council of the American Bankers' Association, or as Vice-President or as President of the American Bankers' Association, that we were attempting one common purpose. I believe I may be permitted to say that unfortunately in some instances, at least, the spirit of the American citizen is such that he too often, both publicly and privately, jumps to a conclusion without a thorough understanding. Now, it happened that in the course of my duty I made some recommendations in my annual address. I found there was a misunderstanding by the officers of some of the Sections. I may be permitted to say that I did not contemplate that my suggestions would be immediately fruitful. On the other hand, I did not contemplate that it would take as long for them to bear fruit as our friend Jenkins says it takes for the cypress trees to mature; but I hoped to raise a question which is exceedingly important in the Association and in the Section, and important, too, in the business and economic affairs of this country—the question of duplications. It is a question that must be considered in the future by the administrative officers of the American Bankers' Association and by the Association as a body. I do not for one moment maintain that all apparent duplication is such. On the contrary, nature has shown us that apparent duplications are not such. Apparently nature has made a duplication in the eyes, in the nostrils and in the limbs, but who is not aware of the convenience, not to say the absolute necessity, for those provisions of nature, and who would hastily say that apparent duplications in the work of this Association or in the work of a Section, or in matters of interest, are really duplications. Those questions should be raised, and who should raise them if not the man charged with official authority in the administration of the Association? And when raised they should not be settled hastily or inadvisedly, but they should be settled only after thorough understanding each with the other, and after being put in charge of men representing every interest in the Association, having a common purpose, with open minds, endeavoring to settle the questions right.

It is not often that I notice criticism. I believe that the man who holds an official position of any kind in any organization for a number of years, if he has no critics, why, he has not rendered any permanent accomplishment to the organization. Many of the criticisms of my official acts are probably just, but I believe I can truthfully say that if I have made any errors they have come from the head and not from the heart. With that statement, I call your attention to a criticism in one of the morning newspapers referring to the expenditures of the American Bankers' Association. I shall not undertake to answer it; I merely call your attention to it, having in mind what I stated to our Finance Committee this morning: that if the clerical department would assume responsibility for the expenses under its control, and if the Sections would assume responsibility for the expenditures under their control, and if the several committees would assume responsibility for the expenditures under their control, I as President of the Association would assume responsibility for the expenditure of the funds of the American Bankers' Association. Gentlemen, I believe all of those expenditures have been wisely made. We have spent more each year, it is true, but we are getting more for it. The thing that concerns the Association and its Sections is not what you spend, but to see to it that you get value for what is expended.

Gentlemen, I wish you a successful meeting; I was not expected to take up so much of your valuable time, and I fear that some visitor may say, as did the slumbering husband to his wife when he was awakened, "My dear, are you talking again or yet?" (Laughter and applause.)

President Fuller: I am sure we all appreciate the words of interest and good will expressed by Mr. Watts, and I am sure that none of us have any thought that we have in him any but the best friend.

The next order of business is the report of the Executive Committee.

Report of Executive Committee, F. H. Fries, Chairman.

[The report of the Executive Committee will be found on page 210.]

On motion the report was accepted and ordered placed on file. F. H. Goff, of Cleveland, O.: Mr. President, in order that we may have a permanent nominating committee to suggest names for members of the Executive Committee, I offer the following resolution:

Resolved, That a nominating committee of five be appointed by the Chair, which shall receive names in writing from the delegates present, and, from which names, the nominating committee shall select five as members of the Executive Committee for the term ending 1914, and which committee shall report back to the Section its action.

On motion, the resolution was adopted.

President Fuller: I will announce the names of the members of that committee present here.

Isaac H. Orr, of St. Louis, Mo.: Respecting the Committee on Legislation, referred to in the report of the Executive Committee, and a resolution that was passed by that Committee, I desire to offer a resolution substantially carrying out the idea that was in the minds of the Executive Committee. It is only proper to say, I think, that the resolution passed at the Nashville meeting was drawn rather hurriedly in the stress of business. Now, the resolution that I offer is this:

Whereas, Important matters of legislation are coming before the people of this country affecting more or less vitally the interests of the trust companies, which may from time to time necessitate prompt consideration or action,

Therefore, be it Resolved, That the president, the first vice-president and the chairman of the Executive Committee of the Section, together with two members of the Section to be appointed annually by the president, shall constitute a committee, in whom shall be vested authority to hear and consider recommendations in regard to legislation likely to affect the interests of the trust companies, and with further authority to make recommendations thereon and to take suitable action in reference thereto whenever, in their opinion, such legislation may require prompt attention.

And be it further Resolved, That this committee be the official channel of the trust company section for giving public expressions to its policy affecting legislation.

Also, be it further Resolved, That the name of this committee shall be The Trust Company Committee on Legislation, and that vacancies in said committee shall be filled as they occur by the then president, and that this committee shall continue as a standing committee of the Trust Company Section.

J. C. Cutler, of Salt Lake City, Utah: I will second that resolution.

President Fuller: Gentlemen, the resolution is before you. What is your pleasure in respect to it?

R. E. James, of Easton, Pa.: I would like to inquire as to the power that is to be reposed in that Committee. I did not quite understand that. It seems to me, from what I did understand of the resolution, that it is putting into the hands of a committee an exceedingly broad authority. I suggest that the resolution ought to be recalled by the mover and carefully considered, if it aims to confer upon a committee such wide authority.

Mr. Orr: I think perhaps Mr. James looks a little beyond the language of the resolution. The committee is not to originate legislation, but it is simply to consider any legislation that may be tendered. Of course, the power of the committee cannot be broader than that of the Section which creates it. A matter came up in Congress, as to whether or not the government officials should accept checks drawn on trust companies, and an act was about to be passed providing that they could not accept checks drawn on trust companies. Now, whenever another situation of that kind arises there ought to be some committee, with power to represent the trust companies of the United States who would oppose such a measure.

E. K. Boisot, of Chicago, Ill.: I would inquire whether that refers to constructive legislation.

President Fuller: I would state that as the chair understands the matter that Mr. Orr referred to, that was where prompt action was necessary. We had no committee at that time to deal with the matter, and it was necessary through telegram and quick communication to get some of our members to Washington and prevent obnoxious legislation.

T. H. Bowles, of Baltimore, Md.: I think the resolution, of course, is an important one. I am heartily in favor of it, and hope it will prevail.

Mr. Boisot: The resolution may be aimed at an important point, but I think it ought to be amended in one respect, and I would suggest as an amendment that the committee shall have no authority to initiate legislation without first bringing the matter to the attention of this body.

Mr. Goff: I think this is a good amendment, and I will second it.

W. F. McCaleb, of San Antonio, Texas: I would suggest that either we pass the amendment or else that the verbiage of the resolution be changed. I do not think the word "initiate" is a proper one to use there.

J. H. Jones, of Houston, Texas: It is with some hesitation that I would offer any suggestion in opposition to any plan suggested by the executive officers of this section, but it does seem to me that this resolution would be placing in the hands of the committee a power that is quite absolute. It commits the committee to bind this Section conclusively. Now, with over eleven hundred members, and possibly a few over one hundred members represented here, if we appoint a committee and give them this wide power, why, they would be authorized to make a recommendation that would be binding upon the Section. I am a member of my state organization of bankers, and I am on its legislative committee, but I do not recall that we ever had the power given to us to bind the association by our action.

A. A. Jackson, of Philadelphia, Pa.: I would like to hear

read the resolution that was passed at Nashville. I was not present at that meeting.

President Fuller: In the report of the committee, which is to be made a little later, that will appear, Mr. Jackson. However, I will ask the Secretary to read it.

Mr. Fries: I naturally feel some interest in this matter, not because I was the originator of it at Nashville, but because as Chairman of the Executive Committee, we have acted under it. The necessity for it was very evident to all who were at Nashville, and the resolution follows almost exactly the language of the original mover. It is open, perhaps, to the objection that has been made by Mr. Jones. But I would say that it was not intended to give the committee any broader powers. The Executive Committee thought, however, that it was time to appoint a committee that should have the authority to express what they believed to be the sentiment of this Section. Perhaps Mr. Jones can make an amendment to the resolution that will cure the defect that he pointed out.

Mr. Jackson: I will withdraw the request I made for the reading of the Nashville resolution.

President Fuller: How would it do to postpone acting upon this resolution until after the reading of the report of the committee which has been acting during the interval? That would give time for gentlemen here to consider the proper wording of the resolution.

R. L. Taylor, of Philadelphia, Pa.: I make a motion to that effect.

Mr. Fries: I will second the motion.

President Fuller: It is moved and seconded that this resolution be withdrawn for the present, and that the members of the Section endeavor to frame a resolution that will meet the objections that have been raised to this one, and present it later in the session. All in favor of that motion will say "aye," and all opposed "no." Carried.

Mr. Jones: I move that the resolution which has been the subject of discussion be referred to the Executive Committee for them to prepare and present another resolution which may meet with the approval of the members here present.

Mr. Taylor: I will second that motion.

President Fuller: All in favor of the motion will say "aye," all opposed "no." Carried.

EXPRESSION OF THANKS.

Mr. Taylor: In view of the recommendation made by the Executive Committee, I offer a resolution, as follows:

Resolved, That the thanks of this Section be and they are hereby expressed to the Clearing House Association and its Entertainment Committee for the very complete entertainment provided for visiting delegates and their families, and especially for the supplemental provision for this Section in furnishing a special boat to carry us on the trip to the sugar plantation this afternoon.

Edwin Chamberlain, of San Antonio, Texas: I second that resolution.

President Fuller: All in favor of the resolution will say "aye"; all opposed, "no." Carried.

Next in order is the report of the Secretary.

Report of the Secretary.

[The Secretary's report is printed on page 212.]

Mr. Jackson: I move that the report be accepted and placed on file.

Mr. Poillon: I second the motion.

President Fuller: All in favor of the motion will say aye; opposed to, no. (Carried.) Next in order is the report of the Committee on Protective Laws.

Mr. Lynn H. Dinkins, of New Orleans: Mr. President and gentlemen, the report of the Committee is as follows:

Report of Committee on Protective Laws.

[The report of the Committee on Protective Laws will be found on page 211.]

W. E. Allen, of Greensboro, N. C.: I move that the report be received and placed on file.

H. L. Ward, of Burlington, Vt.: I second the motion.

President Fuller: All in favor of the motion will say aye; opposed, no. (Carried.)

Gentlemen, we are now to listen to an address which vitally interests every man in the trust company business. There is no relation in life, unless it is that of matrimony, in which persons and institutions come more closely in contact than the relation that exists between the lawyer and the trust company. Mr. Eaton, of Chicago, has prepared and will deliver to us an address on the subject of The Relation of the Trust Company to the Lawyer.

The Relation of the Trust Company to the Lawyer.

[The address of Marquis Eaton on this topic will be found on page 206.]

President Fuller: I will now announce the names of the committee appointed to accept nominations for members of the

Executive Committee to fill the vacancies which will exist after today. The gentlemen whom I appoint are as follows:

F. H. Goff, of Cleveland, O.
Roland L. Taylor, of Philadelphia, Pa.
R. W. Cutler, of Hartford, Conn.
H. A. Rhoades, of Boston, Mass.
Edwin Chamberlain, of San Antonio, Tex.

Henry G. Aird, of Jacksonville, Fla.: There are several recommendations which were made by the President in his address this morning, which I think ought to be referred to the Executive Committee for them to consider, and, if deemed advisable, carried into effect; and, therefore, I move that be done.

Mr. Ward: I second the motion.

President Fuller: All in favor of the motion will say aye; opposed, no. (Carried.)

At this point a recess of five minutes was taken for the purpose of enabling members to hand in their nominations to the committee just appointed.

Roland L. Taylor, of Philadelphia, Pa.: Having had over twenty years' experience in the relation of trustee to an individual, I desire to express my appreciation of the excellent address delivered here by Mr. Eaton. It is so able an analysis that I think we might almost term it a Rule of Conduct, and I should like to see it printed in pamphlet form under the auspices of this Section.

President Fuller: Do you make a motion to that effect?

Mr. Taylor: Yes sir, I so move.

The motion was seconded and passed.

President Fuller: We will now listen to an address by Mr. Fred I. Kent, Vice-President of the Bankers' Trust Co., of New York, on the Registration of Commercial Paper.

Registration of Commercial Paper, by Fred I. Kent, Vice-President Bankers' Trust Co., New York City.

[Mr. Kent's address appears on page 203.]

President Fuller: The next speaker is a gentleman who needs no introduction to this audience, as he was one of the most able officers the Section ever had. I present Mr. A. A. Jackson, Vice-President of the Girard Trust Co., of Philadelphia, Pa.

The Protection of Property, by A. A. Jackson, Vice-President Girard Trust Co., Philadelphia, Pa.

[Mr. Jackson's address may be found on page 200.]

President Fuller: The addresses that have been delivered today have been so interesting and on such important topics that I am sure you will all join with me in the regret that there are no more to be presented. The remainder of our business will only require a few moments.

I call now for the Report of the Committee on Legislation. As I am myself the Chairman of that Committee, owing to the modesty of the other member of it. I will read the report.

Report of Committee on Legislation.

[We print the report of the Committee on Legislation on page 211.]

Mr. Orr: In connection with the report of the Legislative Committee, with the permission of the house, I would like to take up the resolution relating to that committee which was offered this morning, and that evoked some discussion. I desire to withdraw that resolution and substitute a much shorter and a more simple one.

President Fuller: There being no objection, you may do so.

Mr. Orr: Resolution that I now offer is as follows:

Resolved, That the Executive Committee shall annually at its first meeting appoint a committee of five as a Committee on Legislation of the Trust Company Section. The President, the First Vice-President, and the Chairman of the Executive Committee shall be ex-officio members of such Committee; the other two members may, or may not, be members of the Executive Committee. Such committee shall serve until the appointment of their successors.

I move the adoption of this resolution.

Mr. Jones: I second the motion.

President Fuller: Is there any discussion of the resolution now offered? As there does not seem to be any, the question will be put. All in favor of the adoption of the resolution will signify it by saying aye; all opposed, no. (Carried.) The resolution is adopted.

On motion of Mr. A. A. Jackson, of Philadelphia, seconded by Mr. W. C. Poillon, of New York, a vote of thanks was passed to the members of the Legislative Committee for the work done during the past year, and the able and comprehensive report submitted at this meeting.

R. W. Cutler, of Hartford, Conn.: Reference was made in the report of the Executive Committee to a committee to revise the by-laws and the proposed amendment respecting the election of vice-presidents. If it is in order, I would like to present that report now.

President Fuller: It is in order, sir.

Mr. Cutler: The report of the committee is, as follows.

Whereas, It is desirable that the Vice-Presidents of the Trust Company Section of the American Bankers' Association shall more thoroughly represent the Trust Company Members in their respective States. Therefore, be it

Resolved, That the By-Laws of the Trust Company Section be, and they are hereby amended, to read, as follows: In States having Trust Company Associations, a Vice-President of the Trust Company Section, American Bankers' Association, shall be nominated and elected at the Annual Convention of such State Association. Such election shall be certified by the Secretary of the State Association to the Secretary of the Trust Company Section.

In States not having a separate trust company organization, but having a State Bankers' Association, a Vice-President shall be elected by a majority vote of trust company representatives, whose companies are themselves members of the Trust Company Section of the American Bankers' Association in attendance at the Annual Convention of the State Bankers' Association. Such election shall be reported to the State Convention. Certification of such election shall be forwarded to the Secretary of the Trust Company Section by the Secretary of the State Bankers' Association within a reasonable time after said Convention.

Where a Vice-President for any State has not been named in either of the above ways, the appointment of a Vice-President for such State shall be left to the Executive Officers of the Trust Company Section.

The time of office of the State Vice-President shall begin at the time of the next Annual Convention of the Trust Company Section following such election, and shall continue until the election of his successor.

President Fuller: Notice having been given a year ago of the intention of offering this amendment, and thirty days' notice having been given to the general Association, this amendment to the by-laws of the Section is now offered and is in order.

Mr. Bowles, of Baltimore, Md.: I second the motion that it be adopted.

President Fuller: Is there any discussion? All in favor of the adoption of the amendment will say aye; opposed, no. (Carried.) The amendment is adopted.

Mr. Fries: The American Bankers' Association and the Savings Bank Section have retained the services of their retiring president for three years in the administrative committee, and I think it is a good plan for this section to have a similar provision. I therefore move to amend the by-laws, as follows:

Add to the first paragraph of Section 1 the following, "and ex-Presidents, if still members of the Association, shall also be members ex-officio for three years after expiration of their terms of office."

Mr. Jones: I second the adoption of that amendment.

President Fuller: All in favor of it will say aye; opposed, no. (Carried.) The amendment is adopted.

Gentlemen, the next item on the program is a roll call of States, but owing to the lateness of the hour, and the fact that we have been in continuous session since 10 o'clock, this order will be omitted; but gentlemen who have prepared reports to be given under this head are requested to send them in to the Secretary, and they will be incorporated in the printed proceedings of this meeting.

NOMINATIONS AND ELECTIONS.

Is the nominating committee ready to report?

REPORT OF COMMITTEE ON NOMINATIONS.

For five members of the permanent nominating committee:

Lynn H. Dinkins, President of the Interstate Trust & Banking Company, New Orleans; A. J. Hemphill, President of the Guaranty Trust Company of New York; John H. Mason, Vice-President of the Commercial Trust Company, of Philadelphia; P. C. Kaufmann, Vice-President of the Fidelity Trust Company, of Tacoma, Wash.; Salomon A. Smith, Vice-President of the Northern Trust Company of Chicago.

On motion duly seconded, the Secretary cast a ballot of the Section for the nominations above made, and they were declared duly elected.

President Fuller: I have to announce with regret that Mr. Lawrence L. Gillespie, having retired from the Trust Company field, has resigned from the Section. Mr. Gillespie was one of our most valued members, and we are all sorry to lose him.

Benjamin Strong, Jr., of New York: Mr. President and gentlemen, I desire to offer the following resolution at this point:

Whereas, Mr. Lawrence L. Gillespie, first Vice-President of the Trust Company Section of the American Bankers' Association, has tendered his resignation of that office, having retired from active Trust Company work; and

Whereas, Mr. Gillespie, during his several years' connection with this Section, has always evinced a deep interest in its work, and has been of invaluable aid in bringing it to its present commanding position. Therefore, Be it

Resolved, That we view the resignation of Mr. Gillespie with very sincere regret, and that our best wishes go with him in his new field; and, further

Resolved, That a copy of these resolutions, suitably engrossed, be presented to him, as an expression of our appreciation and esteem.

On motion, the resolutions were adopted by a rousing vote.

President Fuller: Next in order is the election of a President for the ensuing year. Nominations for that office are now in order.

Mr. Cutler: It gives me great pleasure in placing in nomination for President a man whose rare tact and unfailing courtesy has endeared him to every member of this organization. I have the honor of placing in nomination Col. F. H. Fries, of North Carolina. (Applause.)

A. A. Jackson, of Philadelphia: I am extremely happy to rise and second the nomination of Col. Fries. Those of you who are as bald headed as I am, and can look back to 1904, when Col. Fries made his address on Conservatism before the Convention in New York, will realize that the sentiment he expressed there have been lived and shown by him to all the people. (Applause.)

The President: Are there any other nominations for President?

On motion, the nominations were declared closed.

ELECTION OF PRESIDENT.

On motion, the Secretary cast one ballot bearing the name of F. H. Fries, and he was declared duly elected President of the Association for the ensuing year.

President Fuller: Col. Fries, I take great pleasure in greeting you as the new President of the Section, and in placing upon you this badge of authority. (Applause.)

President-elect: Neither time nor my emotion will permit me to thank you all as I would like to on this proud occasion of my life. I came here as Chairman of the Executive Committee. I have served as Vice-President, and now I am honored by being elected President. Three times honored, I would that it were in my power to thank in adequate language three times. I assure you all that I shall give to the Association, and to this Section, my very best service, and I trust that if I succeed in anything like the measure attained by my predecessors I will be satisfied, and, with your indulgence, I hope you will be satisfied too.

On motion of Mr. Jackson, a vote of thanks was tendered to the retiring President.

W. C. Poillon, of New York: Gentlemen, it is seldom that I have had the opportunity of doing anything that gives me quite so much satisfaction as I have today in presenting a modest souvenir of the esteem and affection in which the members of

the Trust Company Section of the American Bankers' Association hold the retiring president of this Section. It is in order to express our earnest wish that his cup in future will always be full to overflowing of all these good things that make life worth while to men whose chief aims in life have been to be of service to their brothers, as has our honored President.

Mr. Fuller, in the name of the Trust Company Section, I present to you this loving cup. (Applause.)

Mr. Oliver C. Fuller (retiring President). I cannot express my appreciation adequately for this unusual token of your esteem, but I assure you that I will ever treasure this beautiful gift, as one of my most valued possessions. It will ever carry me back in memory to the delightful associations that I have made in this organization. Again, I thank you, most sincerely. (Applause.)

President Fries: Nominations for vice-presidents are now in order.

Mr. Taylor: I desire to place in nomination for Vice-President of the section, a gentleman who will fill the office with dignity and honor—Mr. William C. Poillon, of New York. The nomination of Mr. Poillon was seconded from various parts of the hall.

President Fries: Are there any other nominations?

On motion, nominations were declared closed.

On motion, the Secretary passed one ballot bearing the name of William C. Poillon, and he was declared duly elected first Vice-President of the Section for the ensuing year.

President Fries: Before we adjourn, the Secretary has an announcement to make.

Secretary Babcock: I have been asked by General Secretary Farnsworth to give this notice:

In accordance with the notice in our regular printed program, and with the notices which have been mailed to all the Bankers' Associations of the several States, by President B. F. Harris, of the Illinois Bankers' Association, who is also Chairman of its Committee on Agriculture and Vocational Education, I am requested to invite all of the officers and agricultural representatives, and as many of the members of this association as desire, to attend a conference of bank-farmers, or those interested in better agricultural methods and education, to be held Thursday evening at 8 o'clock in the Convention Hall, St. Charles Hotel.

A number of State associations have shown great interest in this matter, and this conference should be well attended, with very beneficial results.

On motion, the Section adjourned sine die.

SAVINGS BANK SECTION

AMERICAN BANKERS' ASSOCIATION

Tenth Annual Meeting, Held in New Orleans, La., November Twenty-third, 1911

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The Ethics of the Savings Bank.

BY WILLIAM E. KNOX, Comptroller Bowery Savings Bank, New York.

It was with a very real sense of my own shortcomings that I ventured to accept the invitation with which you have honored me, for my experience has all been gained in the service of the mutual or trustee savings banks. My knowledge of stock savings banks, such as it is, has been gained at second hand. What I have to say, therefore, while in a broad and general sense it may be applied to all savings banks, is particularly applicable to the mutual and trustee savings banks as we have them in the East. Like many other things which have found their way westward across the Atlantic, they have lingered for a while in the Eastern States; but will, I hope, eventually find their way into every part of the country where they can find communities to serve, and that, in time, will mean everywhere.

It is true that the stock savings banks are doing their duty well, and proving to be a real help in the conservation of the savings of their communities. Conscientiously managed, they are and will continue to be of great benefit to their constituents.

But if in the East, where we are sometimes charged with selfishness and a desire to turn everything to profit, we can find men willing to act as savings bank trustees without pecuniary reward, we are not imagining a vain thing when we cherish the hope that South and West equally unselfish men will be glad to take up the same work.

A year ago, in the city of Edinburgh in Scotland, the centenary of the establishment of savings banks was celebrated. Not only from the United Kingdom, but from all the British possessions, from many of the great nations of the Old World, and from Canada and the United States, delegates representing the savings banks assembled to do honor to the occasion. Here in the United States we, too, are rapidly approaching the completion of a century of beneficent effort in the same work. It may be that we, when the hundred years are rounded out, shall celebrate the founding of savings banks in our own land.

Looking backward over the hundred years, we are impressed by the evidences we find of devoted service, of unremitting labor, and of ceaseless vigilance, and by the final record of splendid achievement.

Our American savings banks, as they stand to-day, are a monument to the integrity and devotion of those who labored for their upbuilding.

From modest beginnings, they have grown with the growth of the nation, increasing in usefulness, until they are now among the main forces that make for prosperity.

It was not by chance that our savings banks have grown and prospered; they are the result of thought and care, of wisdom and of work.

The dictionary defines Ethics as "the science which treats of the nature and grounds of moral obligation, and of the rules which ought to determine conduct in accordance with this obligation." In view of this definition, let us look at the motives that have actuated the savings banks, at the moral standards that they have raised in the conduct of their business, and at the essential principles that have guided them.

At the risk of repeating an oft-told tale, let us see what spirit actuated the men who started the first savings banks. One of the earliest of them proposed "an institution for the benefit of the wage-worker who might deposit his savings and withdraw them again, in part or in whole, as he might require, with interest according to the time they had been on deposit"; and this institution was designed to take the place of almsgiving.

Another was started with the avowed purpose of being "for the special benefit of the more dependent of the industrial classes, for the collection and increase of their small savings." And another, "that persons of small means should have the opportunity, which had before been wanting, to place the small savings which they were able to lay by where they may draw interest without danger of loss."

The founders of the oldest savings bank in New York, The Bank for Savings, stated it as being their object "to assist the laboring poor to preserve a portion of their earnings for old age, and to give them provident habits, and by promoting among them a spirit of independence, economy and industry."

We see then that all these plans were meant for the encouragement of thrift, and were calculated to help the poor

to help themselves. In every case the need was recognized of a secure depository for the savings of those who were willing to save. The way to encourage thrift was to hold out the certainty that the results of thrift and self-denial would be safely held against the time of need. And this security was to be offered to those least able to take care of their own savings.

It was evident to men of broad mind and philanthropic views that there was a real need for institutions of some kind to care for the savings of the poor, and it opened up an opportunity for service of a new kind.

Given the opportunity, men were not wanting in the early days (nor are they wanting now) who were willing to give their services, without any hope of reward other than the knowledge that they had been able to help their less fortunate neighbors in an effort to better themselves.

As we look back over the records of our savings banks we are more and more impressed with the fact that they have won their place in the confidence and respect of the public principally because their trustees have been, and are, men who have themselves not only won but deserved the confidence and respect of their communities. Your savings bank trustee is your true altruist. He is actuated by a desire to serve his community in a practical way, and to the conduct of the business of the bank he brings the equipment of brains and energy that has given him his personal success. He gives to his duties as a trustee the same zeal and diligence that he bestows on his private affairs, being, if anything, more particular in matters affecting the savings bank than his own. He carries with him into his work a sense of his stewardship, a realization of his moral obligation, a knowledge that his neighbors and associates in the community have entrusted to his keeping, not only their savings, but their hopes for the future. With such a sense of his obligation strong upon him, is it any wonder that he is jealous of the good name of his bank, and that he uses every means to foster its interests, that he labors always with the welfare of the depositor, and that only, in view? It is as though he had laid to heart and put into practice Paul's exhortation to the Romans: "Be not slothful in business—fervent in spirit—serving the Lord." It is a long time since these words were written, but we have yet to discover any better way of serving the Lord than by serving our neighbors.

In their beginnings savings banks were merely voluntary associations of public-spirited and philanthropically inclined persons. The scope of their operations was limited; but through their agency much good was accomplished, and best of all, a definite start was made.

We learn as a fundamental principle, if we follow the tradition of the savings banks, that we are bound to foster the small depositor. It was for him that the savings bank was created, and it is to his service that it should be devoted. The man whose earning power is but little above the requirements for bare necessities is he to whom every encouragement should be given.

The hopeful thing about the small depositor is his spirit of self-reliance, his willingness to deny himself in the present in order to make the future more secure for himself and his dependents. It is no easy matter for the average savings bank depositor to save. Every dollar is the result of stern self-denial. If it be earned by the sweat of his brow there is a considerable amount of perspiration superinduced in the effort to keep it. Many a time it is harder to keep than to get. A single dollar certainly does look lonesome, and five or ten of them do not make much of a crowd. The day when the slow accumulation of dollars will amount to a respectable sum seems far off, and the calls for spending are apt to be clamorous, and yet for most wage-earners a little at a time, and that steadily, is the only way in which to save.

We see to-day Great Britain and Germany driven to the experiment of old-age pensions. It is to be hoped that the remedy may not be worse than the disease, for it cer-

tainly would seem that the result must be the encouragement of shiftlessness and an added burden on the thrifty.

If every worker could be induced to save what he now wastes or dissipates there would be small need for old-age pensions.

With every dollar that such a depositor saves he strengthens the barrier between himself and possible want in times when work is not to be found. With every increase in his little fund he adds to his self-respect. And the day comes when he is able to breathe a little more freely, as he faces the future, when he can afford to make a venture perhaps in an untried field that holds out larger opportunity. Without his savings to rely on the venture would be impossible and the opportunity lost, but with them to help a new day dawns, bright with hope.

It is interesting, especially in our Eastern cities, to watch the depositors that flock to our savings banks. In addition to the American workingman and woman, every quarter of the globe sends some addition to the cosmopolitan crowd that goes to make up the depositors in any of our savings banks.

They come from Canada on the north, and from the Central and South American republics. Not only the great nations of Europe, but every petty principality as well, is represented. Asia and Africa send their quota. American missionaries serving in Syria and China send their little savings home to be cared for. How they do it out of the salaries they sometimes get is a mystery. It is not the get-rich-quick spirit that impels them to their work, of that I am certain.

If all our depositors should talk at once, each man in his own tongue, the confusion of speech at the Tower of Babel would be faithfully portrayed. But however they may differ in their origin and speech, from whatever race they spring, they have one common motive in this land of ours, and that is the pursuit and capture of the elusive American dollar. And in the aggregate they manage to overhaul and lay hands upon a good many of them.

The foreigner whose children attend the public school gets some idea of what it means to be a citizen of a free country. The foreigner who deposits his money in a savings bank has given hostages to fortune. He becomes, as his deposit grows, more and more interested in our institutions. He learns that it is his money that is building schools and bridges, docks and streets, houses and water works, and so he comes to take an intelligent interest in public affairs. He comes to look upon the savings bank as a place where he may go for advice and counsel.

The savings banks are not only doing a beneficent work in inculcating habits of thrift, in gathering and conserving wealth which might otherwise be wasted, or else lie unproductive, and in furnishing capital for many legitimate business enterprises; but, especially in our larger Eastern cities, with their great influx of alien peoples, they are keeping step with the churches and the public schools in helping to make good citizens of those who seek our shores as immigrants.

The fostering of this spirit of independence and self-reliance in its depositor is one of the fine things that our savings banks are doing. The feeling that our depositors are being helped to look with more hope and certainty into the future, and that the haunting shadow of poverty is being banished, is no mean reward for our effort.

While the small depositor should in every way be encouraged, there is a class of would-be depositors who should not be welcome. These are they who would make of the savings banks a temporary convenience for the deposit of large sums, attracted by the high rate of interest, and who usually withdraw their deposits in times of financial uneasiness for the purpose of buying securities that are selling cheap. The savings bank was not created for the convenience of these, who properly belong to the investor class. While the savings banks are willing to serve those who need their help, it is not fair to them to burden them with

the task of making investments for those who are quite capable of making their own investments. Nor should any savings bank permit accounts of the "in-and-out" variety. Depositors who withdraw their money in dribbles to make payment of small household items only add to the expense of conducting the bank, and interfere with the comfort with which legitimate savings bank depositors should be enabled to conduct their transactions.

To insure at all times and under all circumstances the absolute safety of the savings bank, the accumulation of an adequate surplus is a matter of vital importance.

If it is the duty of the wage-earner to save out of his earnings, when he is prosperous, for the security of his family, it is equally the duty of a savings bank to save out of its earnings, and to do so religiously until it has accumulated a surplus sufficient to protect its big family of depositors against any possible loss. And this surplus should be *adequate*. Opinions may differ as to just what percentage of a savings bank's deposits an adequate surplus is.

During the past decade we have seen a tremendous growth in savings bank deposits, accompanied at the same time by a steady decline in the market value of even the best securities, so that to-day the percentage of surplus to deposits is much smaller than it has been. If we could be sure that the securities we hold would soon advance in value, we might not pay much attention to the matter. But we are neither prophets, nor the sons of prophets, and cannot see into the future.

There is but one way in which to strengthen our surplus, in the face of growing deposits and diminishing values, and that is, to live well within our income. This is a doctrine that has been preached lately from the house-tops, and it may be well that we take heed.

In the nature of the case it is generally the fact that the older and better established banks, the banks having the firmest hold on the public confidence, have the largest surplus. The surplus of a savings bank is a matter of slow, and ought to be a matter of *steady* growth, until such time as it is adequate. During the last ten years, while the deposits in our savings banks have been growing prodigiously, bond values have been steadily diminishing, with the inevitable result that many of our banks do not show as great a percentage of surplus to-day as they did some years ago.

One of the reasons for the decrease in the strength of the surplus is undoubtedly the competition for deposits which unfortunately has arisen among many of the banks. It is quite natural in any business conducted for profit that one should keep a keen eye on his rival. It is not only natural but laudable that one should have the ambition to do as well as his neighbor, that there should be a desire to build up a business that by its bigness may command respect.

But among savings banks there should be no such competition. It is foreign to the spirit of the savings banks that there should be any spirit of rivalry among them. A spirit of emulation in every effective service we can render to our communities we may honorably cherish; but the savings banks should not, for the mere sake of bigness, swerve one hair's breadth from the most conservative line of action. We are all engaged in a good work, which ought to be done in a spirit of philanthropy, and it should be a matter for rejoicing and congratulation when a sister institution does its work well and is enabled to extend its beneficent services to a larger number of depositors.

It is impossible to touch upon the subject of the savings bank surplus without being led to a consideration of dividends.

It is not *always* the bank that pays the largest dividends that is the best bank. It is easy enough to conceive of a bank that might pay dividends almost up to the limit of its

earning capacity, so gaining the approval of the unthinking depositor. The deposits in such a bank would grow, but its growth in deposits would be out of all proportion to the growth of its surplus. In such a case as this it almost inevitably follows that the desire to increase the income of the bank leads to laxity in the making of investments. The question, How much will it pay? is apt to take the place of the question, How safe is it? In the time of stress, when the pinch comes, there is little or no surplus to fall back upon, the investments that looked so attractive, viewed from the standpoint of income alone, are found wanting, and the last condition of that bank is sure to be worse than the first. *

No effort to increase the income of a savings bank by making mortgage loans upon inadequate security, or by the purchase of questionable securities returning a high rate of interest, is ever justifiable.

The laws of many of our States have imposed upon the savings banks wise restrictions as to investments, and the best of our banks have gained the confidence of the public by a conservative interpretation of even these rigid laws.

The savings bank does and should offer safety with small interest return as distinguished from less security and a larger return. It is not organized as a business enterprise, nor should it engage in any form of speculation or money-making in a business sense. And yet it is not, as some have miscalled it, an eleemosynary institution. It is a philanthropic, or benevolent, *not* a charitable institution. Each depositor bears his share of the necessary expenses of the bank, and the trustees no more consider their work charitable than is the work of citizens who, for example, serve on school boards.

Every trustee, every officer, every employee of the savings bank not only realizes that he has a great aggregation of wealth in his keeping, but he has ever before him a picture of the thousands upon thousands of depositors, the mechanic at his bench, the clerk at his desk, the laborer with his pick and shovel, the sewing girl bending over her machine, and with them the army of dependents, the old and the sick and the widow and the little children.

Once upon a time St. Paul considered it not beneath him to boast that he was a citizen of no mean city, and we may be pardoned if we boast a little (it may be modestly) that we are engaged in no mean business. For if there is anywhere a service which calls for the employment of the best that there is in a man, the best of head and heart and hand, with the least of selfishness, that service is the service, whether as trustee, officer or employee, of the savings bank. And the reward for that service is not wholly paid in salaries. Much of it comes in the form of grateful recognition on the part of those benefited. I like to think of savings banks, not in terms of dollars and cents, but in terms of widows and orphans cared for, in terms of uninformed (not ignorant) people helped and guided. I like to think (and it raises one's opinion of men in general to think) that our active business men, engrossed as they are in their own affairs, with the many demands upon their time, can yet find time to give of their thought and endeavor for the service of the public. Our savings banks have won the confidence and esteem of their depositors, because the depositors in them realize that they are actuated by no selfish motives, but are acting solely in the interests of the people.

For a hundred years they have done their work well and wisely. They have held high the standards of integrity and conservatism, they have shown no trace of selfishness or self-seeking in their work, they have won and will keep the respect and confidence and esteem of the people whom they serve.

Departmental Banking Laws—Regulation and Segregation.

BY J. F. SARTORI, President of the Security Savings Bank of Los Angeles.

A careful survey and study of the growth and development of capital stock banking in the United States leads to the conclusion that the tendency is to generalize and not to specialize.

The theory is entertained and the ideal may be, that each institution should be organized to do either a commercial, a trust or a savings business; that it should be closely to a distinctive line, confine itself strictly to its chosen field, and that a bank of one class should not encroach upon the legitimate functions of a bank of another class. Whatever the theory may be, the practice is steadily and rapidly growing to transact all of these three kinds of banking either directly or indirectly, through a stock control, by means of a trustee plan, or through a holding company.

Let us first divide or classify banks as follows:

First: Purely mutual savings institutions.

Second: Capital stock banks, which latter, notwithstanding their corporate names, may be divided into commercial, trust and savings, according to the character of business transacted.

Mutual savings institutions are an eastern—you might say, colonial, state product. Their field of operation is practically confined to the old and populous New England and Eastern States, and they have on deposit, roughly speaking, one-half the savings of the country. Although laws have been passed providing for their organization in a few other states, they do not multiply and are not a popular form of banking in the South or West.

It is the purpose of this paper to deal particularly with capital stock banking, to show its drift toward a dual or departmental business, and to advocate and urge national and state laws legalizing and regulating such business, compelling the segregation of assets and giving to the creditors of each department a first or prior lien on the assets of each respective department.

The numerous tables of statistics compiled for the National Monetary Commission, published in 1910, when carefully analyzed prove the following statements:

1st. That the three classes of capital stock banks are yearly and constantly encroaching more and more on the distinctive functions of each other.

2nd. Total individual deposits increase according to the general or dual character of business done—the class of banks encroaching most, increasing most rapidly, and the class encroaching least, increasing least rapidly.

3rd. The percentage of growth is in favor of trust companies, followed by state commercial banks, national banks and savings banks, in the order named.

4th. Capital stock savings banks, now carrying \$113,000,000 demand accounts, have increased from 1896 to 1909 as against the mutual savings banks in the proportion of 2 to 1.

5th. There are now in excess of—

\$113,000,000 demand deposits in capital stock savings banks.
864,000,000 savings and time deposits in state commercial banks.

876,000,000 savings and time deposits in trust companies.

743,000,000 savings and time deposits in National banks.

1,917,000,000 demand deposits in trust companies.

6th. This encroachment and departmental growth is not confined to any section of the country. It is the practice in the New England and Eastern, as well as in the Southern, Western and Pacific Coast States, consistently and rapidly growing from year to year.

7th. In 1896 the individual deposits subject to check or demand exceeded all the savings and time deposits 28½ per cent., and in 1909 exactly 28½ per cent., thus showing that notwithstanding the growing encroachment upon one another's functions, the growth of these different classes of deposits continue in the same proportion.

Furthermore, it is well known that in the cities where the large National banks are not directly doing a dual business, receiving no savings deposits, many of them are indirectly doing such business either through control of allied

institutions or by means of the trustee plan whereby the stock of the two institutions is held in exact proportion.

Throughout the country 2,500 National banks are now directly receiving savings deposits and conducting savings departments without legal authority and without segregation; many others are issuing time certificates of deposit.

In the smaller communities there is an active demand for the right to make loans on real estate, and such loans are frequently made in a roundabout way.

These digressions are made from the powers granted by the National Banking Act; laws are circumvented and various devices resorted to, in order to hold and increase business and check the more rapidly growing state institutions.

Thus it is found necessary for National banks to enter the field of the trust company and savings bank in one way or another. That laws should be enacted, both national and state, to authorize directly, properly regulate and supervise, without destroying or revolutionizing all these forms of departmental banking, is self-evident.

Departmental regulation and segregation laws have been partially recognized and provided for in several of the leading states—New Hampshire, Michigan, Connecticut, Rhode Island, Idaho, Texas, Ohio and Massachusetts. In many other states (except California) banks are doing, quite generally, two and often all three kinds of banking, intermingling assets without any such legal requirements and restrictions.

Statutory enactment has been proposed and considered in others, for instance, New York, without results to date, and on careful examination of all the state laws it will be found that only in one state—California—has legislation been enacted covering the subject in all its most essential features.

In California a complete new banking act was passed by the 1909 Legislature, and went into effect July 1, 1909. Preliminary to the drafting of this act, the Legislative Committee, assisted by a committee of bankers, made an exhaustive investigation of the national and of the state banking laws. There proved to be much chaos, confusion and lack of uniformity. It was found that quite generally, throughout the country, a dual or departmental business was being done, to the extent and in the manner hereinbefore shown, mainly without adequate legal provisions for regulation or segregation, except partially in a few states.

That in California about three-fourths of the banks were doing such dual or general business, intermingling assets without regulation or compulsory segregation.

To legislate separately for each class of banking, compelling each bank to select and adhere to its distinctive line, was considered revolutionary, impractical and contrary to banking practice.

It was, therefore, decided to follow along the lines of least resistance, recognize conditions and provide for departmental banking regulated, with assets segregated.

The distinctive features of this California Bank Act are all essentials in the drafting of departmental laws, without each of which features such banking cannot be fully regulated and properly conducted or equitably liquidated in case of failure.

They are as follows:

1st. The classification of banks according to the character of business done, as savings, commercial and trust, legislating for each class separately so that a distinctive business can be done if desired.

2nd. Articles of incorporation must provide, or be amended to provide, the kind of business to be done, one, or any two, or all three.

3rd. Capital and surplus must be apportioned to each department, and there must be a minimum capital depending upon the population and the character of business organized to be done. A trust company must have a paid-in capital of at least \$200,000, and every bank having a trust department must have at least \$200,000 set aside as the capital stock applicable to that branch of its business. For obvious reasons, not necessary to mention here, trust companies should have a large capital devoted exclusively to the safeguarding of such business.

4th. Capital and surplus must be increased in a reasonable proportion as deposit liabilities increase; each department should in every respect be practically a complete bank within itself.

5th. The assets of each department, including the invested capital and surplus, must be held solely for the repayment of creditors of each department, and the surplus, if any, must be applied to the other liabilities of the bank in case of liquidation.

6th. No department shall receive deposits of another, but may sell to another, for actual value, securities legal for the purchasing department.

This latter provision is highly important to prohibit the pyramiding of cash and deposits, as the practice prevails in departmental banking, when it is done through the ownership and control of other institutions.

7th. The business must be done in one building, or at least in adjoining buildings.

Without the foregoing essentials departmental banking and segregation laws are not complete and will not be fully effective in practice.

Such banking should be supervised by one authority, either state or national, so that reports and examinations of the entire business can be made at one time, which is rarely done in cases where National banks own state institutions, or vice versa.

The conflict of authority, the possible transferring back and forth of investments in anticipation of examinations and reports made at different times, and the pyramiding of cash and deposits, are potent arguments against departmental business done through the control of other institutions organized and transacting business under other and conflicting laws.

Furthermore, if savings deposits are given a first lien on the savings assets, it is quite clear and reasonable that the creditors of other departments should be given a first lien on the assets of said other departments, in order to avoid confusion in case of liquidation.

There should be no difficulty in defining the functions of the different classes of banking, as in practice they are quite well understood.

There may be question as to the character of a time certificate of deposit, whether commercial or savings. In California a certificate due at a certain fixed date with a fixed rate of interest would be issued by the commercial department, and a certificate marked on its face "subject to the rules governing savings deposits," or "subject to conditions of agreement with depositors," would be issued by the savings department. In either case with the knowledge of and at the option of the depositor.

The much discussed subject of segregation has been for several years so fully and ably considered by this savings section and by the Association of Supervisors of State Banks, particularly with reference to savings assets, that nothing of further value could be suggested here.

Of its equity there can be no question, and that the practice of intermingling savings, trust and commercial funds is ethically and practically unsound must be conceded.

The advocates of segregation are quite content that savings and trust funds should be invested, under carefully considered limitations, on approved local securities, and even to an extent on approved commercial paper, according to the decree of each state government, but they strenuously insist that such investments should be set apart and held, first, for the security and repayment of such funds. The fact is that hundreds of millions of savings depositors in many states of the Union are in commercial banks and trust companies and are not loaned on securities legal for savings banks in the same state, hence the lack of interest

in the subject of segregation by trust and commercial bankers.

Although a banking reform full of merit, this movement for segregation has been opposed by the trust section and has not, to date, been favorably considered or recommended by the Executive Council of the American Bankers' Association.

The leading commercial and trust bankers of the United States, confident of the safety of their own depositors—hesitating about incurring the inconvenience and slight expense of keeping separate books and segregating assets, unwilling to invest savings deposits in the, perhaps, restricted and legal securities for savings banks in their respective states, will take no active interest in recommending or proposing segregation laws, until they become alive to the necessity of departmental banking laws, both national and state.

Realizing, moreover, the limitations of the National Bank Act, which gives them no power or authority to assume savings or trust functions, and finding it necessary and profitable to transact such business, admitting, in fact, departmental evolution, the officers and principal stockholders of many National banks at first acquired individual stockholdings in allied institutions, but finding such alliance or partial control inadequate for the free interchange and diversion of business, they are now organizing trust and savings institutions under trustee or holding methods. By these devices conflicting laws can be taken advantage of, and a character of business done indirectly which is directly prohibited.

The policy and legality of organizing and conducting these trust or holding companies are already questioned by the government, and their ultimate divorce from the parent corporation is almost a foregone conclusion, when the trend of the decisions and public sentiment against trust development are considered.

National banks in the commercial centers, therefore, desiring to continue doing a departmental business, may soon, of necessity, be compelled to urge a revision of the National Banking Act granting them both trust and savings powers.

But why resort to these subterfuges and endeavors to circumvent the law? Why wait until trustee schemes and holding companies are declared illegal? Why not recommend and urge national departmental laws with both trust and savings powers, with proper regulations, so that National banks can directly, without evasion, meet conditions and demands of the business?

If demands and conditions are such that more than 2,500 National banks find it profitable and desirable to conduct savings departments, many others to control trust and savings banks, and practically all of them—except those who have protected and fortified themselves with side institutions—to pay interest on time deposits; if, also, thousands of National banks in the smaller communities find it necessary to make time loans on real estate, and direct power is not now given them to transact this trust and savings business, why not amend the National Banking Act to meet these demands and conditions squarely?

The first suggested plan for monetary legislation submitted to the National Monetary Commission recommends "That there shall be established another class of National banks. Such banks may have savings departments with power to transact a savings business. Another class of National banks shall be authorized which shall, in effect, be national trust companies to exercise all the functions and have all the privileges which are given to trust companies by the laws of the various states."

After the most thorough and scientific examination and investigation ever made of banking conditions in the United States, as well as in the commercial world, a national departmental banking act is here practically recommended.

From the press reports of the revised plan for monetary legislation suggested since this paper was written, it appears that savings departments for National banks are again

recommended with authority to make real estate loans. No reference is made to trust departments.

The successful and growing invasion by the trust companies of the commercial and savings field must be conceded.

If they can continue this invasion without proper regulation of their business in departments, without segregation of assets, in many states without proper restriction as to reserves, and without competition, and if they can participate at the same time in the benefits of a National Reserve Association, no form of banking will suffer greater loss of business and prestige than the national banks.

If holding companies are to be divorced and this general and popular form of trust banking is to continue unrestricted, and unless both trust and savings powers are granted to and may be exercised by National banks with, of course, the proper necessary capitalization, how can National banks in the large cities successfully compete against the banking facilities offered by these trust companies?

This is a pertinent question which should be considered by the currency commission of this association—it should be considered by the National bankers unless well assured that they can indefinitely continue in such business with certainty and safety by means of this legal subterfuge of a holding company.

It may also be of interest to inquire why this trust feature was eliminated from the recommendations. Those opposed to the granting of trust powers to national banks are quite ready to argue the boggy of non-constitutionality.

If by act of Congress National banks can legally do a commercial and savings business, receive deposits from the public, make commercial and real estate loans, it can safely be asserted that by the same authority they can legally do a trust business.

For the future welfare of National banks, therefore, both trust and savings powers should be granted them.

This phase of the suggested plan for monetary legislation should not be overlooked by the savings section. It should not be sidetracked, but should be urged along with currency reform to bring about a complete banking and financial system. Here is an opportunity, in a direct and

practical way, to attain at least greater uniformity of savings laws and savings segregation.

The act could provide that the investments of the assets of the savings departments must be made according to well defined state banking laws, provided such laws comply with general regulations, to which the state banking acts must conform, and subject to the approval of the Controller of the Currency, if the National banks of such states desire to transact a savings business.

Independent national trust and savings banks will not serve the purpose, demands or convenience of national banking if holding companies must be divorced and stock ownership or control is denied to parent institutions.

The exigencies of the case will call for the granting of trust and savings powers to the parent corporation with the logical exercise of these powers in segregated and regulated departments, and as there will be no disposition to let go of these important and profitable adjuncts to the business, resulting eventually in scattering and unequal stock holdings, national bankers will favor and urge the enactment of such laws.

They will be a wholesome and powerful incentive for the enactment of similar legislation, with carefully considered provisions for savings investments in many states.

State banks would nationalize unless similar state laws were enacted, because the prestige of regulation and segregation safeguarding time and savings deposits, when understood by the people, would bring increased patronage, and a failure to pass such laws would mean loss of business.

Such national legislation would also exercise a potent influence toward uniformity of laws for every class of banking. If, therefore, this savings section, having so earnestly considered the subject of uniformity, and having so long advocated segregation of savings assets, with such small encouragement on the part of other banking interests, would accelerate and bring about these reforms, it would seem advisable, when supporting plans for monetary legislation, also to advocate and urge the speedy amendment of national as well as state banking acts to provide for departmental banking, regulated with assets segregated.

The Savings Idea and the People.

BY E. ST. ELMO LEWIS, Advertising Manager Burroughs Adding Machine Company, Detroit, Mich.

To paraphrase one of Emerson's sayings—"A man can see in a thing, only so much as he knows about it," I am constrained to think the reason our people have not appreciated their savings banks more, is because they haven't been able to reduce to terms of their own understanding, the real value of the savings bank idea.

Probably every one of the gentlemen before me to-day will admit that he knows that his bank ought to have more depositors than it has; that his chief concern is to devise means and methods by which he can serve his public better. The truth of the matter is, however, that he hasn't solved the best way to do it. This is entirely due to two things, which any careful analysis upon the part of an open-minded man, will probably demonstrate:

First—That the savings bank man has accepted the principle that he is a servant of the public, only as a theory.

Second—The public has looked upon the savings bank idea as a good thing for those who need it, but haven't been able to see that they need it.

The savings idea is not a national idea with us.

The savings bank man has made a distinction between theory and practice, when, in reality, there is no difference between a good theory and good practice, except to say that practice, being slower witted, does not take advantage of a good theory as quickly as it should. Until the savings

bank men realize they are here as an economic necessity, representing the principle of the conservation of human effort, and that in order to conserve they have a duty for which they must fight, educate, plead and teach the people, saving will not become a national trait. In other words, the savings bank today is a necessary part of the economy of the republic. Properly managed, and realizing to the fullest extent its real object, the savings bank idea can prevent a percentage of pauperism, defer the day of old-age pensions, and reduce the economic waste expressed in almshouses and charitable institutions, and even retard the growth of those socialistic tendencies which puzzle and confound the optimist.

The difference is elemental and fundamental. It is the difference between a passive conservation, and an aggressive conservation. The savings bank man is generally willing to fight for deposits, to carry on an aggressive campaign of education among those who needed it most, provided he didn't hurt his dignity, sacrifice the approval of the conservative idea of management which is embalmed in the winding sheet of sacred tradition. He hasn't performed his full duty or realized completely the ideal of service to the community, but he has taken care of many of the people who have trusted him, yet he has not visibly enlarged his field of usefulness. Any savings bank that does not do this

good, and grow, is an impediment to the growth of the savings idea.

The policy of "leave well enough alone" must of necessity, give way to the philosophy which says—"Do good today, but do better to-morrow," and it is in this philosophy that America has thrived. Postal savings banks, because that idea was better advertised than the savings idea was advertised, have been established. It was said the postal savings banks were necessary—but we did not show what the old method could do or had done.

I propose, therefore, if this review of the situation disagree with you, as I know it must, to leave that part of it entirely to your own observation and investigation. The best thing for you to do is to take a vote among 10 per cent. of the population of any ward or territory from which you have no accounts. Ask them ten questions, or one, but make the burden of the question what they know about the personal value of a savings bank to the individual user and tell them to give you the information out of their heads, and not out of the encyclopedia. If the result is not startlingly illuminating of a condition in your own community which pleads for education, you have a cause for great congratulation.

Doctor Wm. Wood, who was at one time president of the Bowery Savings Bank in New York, and a publisher, said to me when I asked him why he advertised: "I believe it is the bank's duty to advertise. We haven't any need for deposits, because we are the largest savings institution in the United States, but we have a duty to perform to the New York public." That was illuminating. The question asked right away, "How are you going to educate the people? How can this aggressive attitude be adopted and carried out?"

I do not want to be entirely autobiographical. However, I must explain that during the past seven years I have been intimately acquainted with the processes by which successful advertising has been accomplished for a number of banks, savings, trust companies, state and national banks. In the process of getting acquainted with effective methods, I have obtained an insight into the mental attitude of the average bank official. Any bank is but the financial expression of a personality. You can talk about one-man banks as much as you please, but in every bank there is one man whose influence is felt, who dominates most of the situations, and no matter whether he meets with his Board of Directors and has their approval or disapproval, he is the motor of the institution. The first thing that must be done before getting business for a bank, is to get that member of the institution wanting business, and thinking right about it.

The first essential, therefore, is the right kind of a personality in the bank, and that personality must realize that he has a duty, as Doctor Wood expressed it, to the public, to make that public see in every way he can the value of the service his institution offers to that public.

Second—He must be willing to spend his brains and his money to realize that ideal.

Third—He must be open-minded to the experience of all business in getting business for his bank.

Fourth—He must have expert counsel in the operation, unless he has had some successful personal experience in advertising.

Fifth—He must have discipline in the institution, to make every man, woman and boy in that institution realize the intent and purpose of the advertising, and play up to it: In other words, he doesn't want to have the glad hand in his advertisement and the glassy eye behind his counter.

Sixth—He must have a policy of the bank which is understood by every man in it, and have it distinctly understood that no man will be permitted to hinder—while all are expected to help in realizing that policy in practice.

So far, we have dealt in generalities. Let's get down to brass tacks. I could tell you a hundred stories, but I am going to tell you one which illustrates the aggressive con-

servation policy. It is the story of a little bank in a little town near the great city of New York, i. e., Washington, New Jersey.

Hon. Jos. B. Cornish, the head of the Cornish Piano & Organ Company, a concern that has sold millions of dollars of instruments to the people of this country through mail order advertising, and a man who has been a conspicuous success in all enterprises with which he has been connected, was elected president of the First National Bank of Washington, New Jersey.

Mr. Cornish probably had as much of a regard for his individual dignity as the next man, but it had been a continuous affront to his business sense, to see the First National Bank spending money in the local publication. So, when he became president of the bank, and responsible as an executive officer, he one morning called the cashier of the bank into his office and told him that among the bank's extravagances there was one which particularly annoyed him as a business man, and that was its senseless advertising. "I don't know of any business so badly advertised as banking," said Mr. Cornish. "No other business that is of more interest to the people, and no business that ought to get better results from good advertising. The whole scheme of bank advertising seems to be based on a supposition that it is a favor to the newspaper publishers, without interest to the general public, and as a consequence, absolutely without results to the bank." The cashier, while I have no means of determining his individual feelings on this occasion, no doubt, felt that Mr. Cornish was outraging all the sacred traditions of "conservative banking"—do you recognize that term?—and with many misgivings watched the methods of the new president. No doubt he spent several sleepless nights wondering what this business man would do with a bank, when he did not realize that "banking was different."

Here let me interject one question: Is banking different? Is there one single, solitary principle of good business that can be applied to the making of buttons that isn't equally applicable to banking?

Mr. Cornish, to return to our story, proceeded at once to make an appropriation for advertising, with a definite purpose—to get the money that he knew was being stored in the hiding places in their territory.

Mr. Cornish didn't attempt to write the advertisements, because he knew he couldn't, which shows how unusual a man Mr. Cornish was, because among all the things that is a common weakness of men, is the idea they can do three things. Any man can run a newspaper better than it is run. Any man can run a hotel better than it is run, and he can write his own advertising better than anybody else can. As a matter of fact, of course, none of these things are true, and it is one of the peculiarities of human nature, that just because a thing isn't true, doesn't stop some man from acting on the idea that it ought to be true in his case, because, as Ribot, the great French scientist and psychologist, said: "There are more false facts than false theories in life."

Mr. Cornish knew he couldn't write the advertisements; he knew the cashier couldn't write them, and he knew there wasn't a man in the bank that could write them. He said, however, that he knew of a paper at Hackettstown, New Jersey, that had been carrying for a number of months short, snappy editorials on financial subjects written by a man who apparently knew what he was talking about, and knew how to get at the common man with financial information and make it interesting to him, and he said that he wanted the editor of that paper to write the advertisements because he believed that man could get the point of contact.

"The point of contact" is that quality in the advertisement which makes men, in looking at it, realize that there is something in it that is of interest to them. Did you ever stop to think about it? The next time you look through the paper you will notice that every time the word "Savings Bank" appears on a page of print, your eye catches it, and

in glancing over a column, you will see the words "Savings," "Investments," "Per Centage," etc., pop out and fade away again, until you will have to look carefully through the column to see it again. Why? Because your eye catches these words in a page of cold type ten times as quickly as you can any other word. Did you ever realize that but few besides yourself were interested in it? Then, why do you run the word "Savings Bank" in great big type and the story in little type? Because you are writing the advertisement to yourself. That's the point of contact. The two great big points of contact in advertising savings are:

First—The man who has money and wants to keep it safely and at work at the same time.

Second—The man who ought to have money, but has not realized it.

The salesman who goes out to sell a product and fails, may blame it on the customer, but as a business man running a business employing salesmen, you don't continue to employ that kind of a salesman. You know that the reason he failed to get the order was because he couldn't sell the man. The reason you don't get the money in your locality—as much as you ought to get—is because you don't sell the man.

Mr. Cornish recognized this. I have been told one story, of a hundred that could be told, about this First National Bank of Washington, New Jersey. Down near Burlington, New Jersey, a rich farmer, who hadn't any faith in banks, went into town one day, and when he returned he found his housekeeper locked in the garret, his safe opened, and \$3,500 in money taken. This incident came to the newspaper in the due course of time, and the First National Bank of Washington ran the story under the caption—"Where Are Your Treasures Stored?" The cashier of the bank said, "The advertisement appeared on Thursday, and on Sunday morning I noticed an old fellow who lived in a dilapidated old house along the canal two or three miles outside of town, passing the window two or three times, carrying a milk pail, covered with oats, the way the farmers carry eggs to market. Pretty soon his sister came in with him, and between them both I found out that they wanted to see me privately, and I took them to the directors' room. There they told me that they had been reading stories about robberies, and they had concluded to take their money to the bank. The pail of eggs was nothing but about \$900 in gold coins, some of which were very old of date. They came back in the evening with another pail of eggs, and there was a total of \$1,900, which has since materially increased."

In this same bank, an old couple who have a balance of \$3,600 come every six months to have the interest added, and their greatest enjoyment in life apparently is to watch their accumulations grow—because of this advertising.

For years they had seen the stereotyped advertisement:

First National Bank,
Capital and Surplus \$100,000.00.
3% Interest Paid on Accounts.
We Solicit Your Account.

but it apparently had not "reached" the old people at all. The story of the robbery, and the point of contact, did get the business. In the same town, there is a village cobbler with more than \$5,000 on deposit, who could not be induced to exchange it for a 6 per cent. farm or a 4 per cent. government bond. He has his shop papered with the ads. used by the bank.

I am going to read you a few of the advertisements, then I am going to tell you the result. These advertisements were furnished by Mr. Charles Rittenhouse, proprietor of *The Hackettstown Gazette*, Hackettstown, N. J., who has been doing the work for the First National Bank of Washington, New Jersey, for five years. I have never had the pleasure of meeting Mr. Rittenhouse, but I happen to know something of the success of the bank. These advertisements are taken from the regular line of copy that has produced such remarkable results in this comparatively small

territory. Every advertisement, you will notice, tells a story—mainly about people—and did you ever realize that people are always more interesting than things to other people? Mr. Hill recognizes it, and his personality is worth several millions of dollars to his railroad interests. Carnegie realized it; and latterly, Mr. Geo. W. Perkins in his speeches and his work before the American public, trying to create a more tolerant public attitude towards big business, is realizing that personality is necessary; that secrecy sanctifies nothing; that the trouble with big business is not that it has been so criminal as it has been so secret. People dislike secrecy. The man who is not willing to live in the open generally has a reason for living in the dark, and has generally a dark reason. This is human nature, and you have to take human nature as you find it.

Here is an advertisement entitled "A Foundation of Dimes." Let me read it:

A Foundation of Dimes.

It was a good many centuries ago that the wise men cautioned against despising the day of small things. It is a homely and familiar topic on which to point a moral. Over in New York today there is building the highest building in the world on a foundation of dimes! The man who is doing this is the man who discovered and developed the 5 and 10 cent stores. He has shown that he was practical and he was probably ambitious to become one of the world's merchant princes. Necessity led him the longer and less conspicuous route. He did not "despise the day of small things"; of a moderate start, and the business world has marveled at the large things accomplished.

John Dobson, the carpet king, who died in Philadelphia the other day, with upwards of thirty millions of accumulations, was a mill boy at \$3 a week. His labor was his capital, and every work day must yield its toll of profit, which was carefully husbanded against the time of opportunity.

The practical question for the young men and women of today is: Does the labor, which is perhaps your only capital, yield a profit? Are you the best clerk in the store, the best mechanic in the shop, the best hand on the farm? There is no other way to the office or agricultural opulence. Is the labor you put in your work producing you a profit when the weekly or monthly settlement comes? Both capital and labor must produce a profit if it is wisely expended. Does that PROFIT show on a bank book at the end of each settlement period? The

OLD FIRST NATIONAL BANK OF WASHINGTON

has no higher mission, no greater privilege, than conserving and safeguarding the profits of your labor, keeping them profitably employed against the day of opportunity.

Better be safe than sorry!

You notice how the writer gets at the small sum by telling the story instead of that platitude that has been worked overtime—"Save Your Pennies and Your Dollars Will Take Care of Themselves."

Most of you have bitten on something that didn't pay. There is no necessity, however, of trying to make it out that our financial age is the most immoral of any. So here is a little talk under the title of "An Ancient Swindle." Some people say you shouldn't refer to swindling operations in a bank advertisement. Why not? Aren't you trying to educate the people the way swindlers are operated, in order to show them the safe place for money is in a bank? You will notice, too, that this advertisement is not dignified, and that's the reason people read it. Which would you rather have—dignity at ten cents a line that nobody reads, or a story that everybody reads, at half a cent a head?

An Ancient Swindle.

They pulled an ancient swindle out of the past in Vice-Chancellor Stevens' court last week. It seems that thirty odd years ago some of our easy-money forefathers promoted what was to have been known as the "Central Fire Insurance Company" of Pennsylvania. The promoters pulled the public in as far as they would go and then, to make a showing of assets, the managers bought one share each of several strong railroad companies, raised the certificates to 100 shares each and transferred the raised certificates to their company, and the \$700 invested figured as \$70,000 in the assets of the company! A lot of people put their money in the stock of the company, but they never got any of it out because the promoters wanted money, not an insurance company.

So you see the promoters of today did not have anything on our granddaddies. It was the ever new scheme of separating honest people, with a penchant for taking a chance, from their provision and earnings. And the daddies came to realize, as you have come

to realize, that there is the largest measure of SAFETY in some strong bank (under government supervision) like the

OLD FIRST NATIONAL BANK OF WASHINGTON,

paying the return that safety dictates and principal and earnings yours to COMMAND.

Better be safe than sorry.

Every once in a while Mr. Rittenhouse works in a little bit of philosophy. Now, philosophy isn't as bad as it sounds. Each of us has a philosophy, whether we know it or not. You have a view-point towards the world and the hereafter, which is an expression of your individuality, which some people like or dislike, and after all is said and done, your philosophy, therefore, is nothing more nor less than a coherent statement of what you like or dislike, believe in or wouldn't believe in, would do or wouldn't do, and that together is the only important thing in the world about you as a man.

Here is a little sermon under the title of "The World's Blessing," which talks about work, and you will notice also that personality is run into it again. It talks about the philosophy of Jacob H. Schiff—probably some of you know of him:

The World's Blessing.

"Work has become the blessing of the world. There is no greater happiness than that obtained through honest work. I do not pity you your hardships; I envy you your opportunities."

That is the summary of the philosophy of Jacob H. Schiff, one of the great captains of finance and development. Work for work's sake plus happiness, plus health, plus provision; that is the conclusion of the Schiff philosophy. There is nothing in this world that is worth doing that is not inspired by an aim and purpose. The aim is to be useful, to have a part in life's activities; the purpose in that provision for age, for sickness, for those dependent on us. No man can avoid this responsibility and he must meet the personal question: WHAT PROVISION ARE YOU MAKING, and what care are you taking of that provision? A man isn't true to his obligations, to his responsibilities! The most inspiring and helpful thing in this life work is to sit down and discuss these matters in the sacred confidence of home.

To provide and care for the provision! In its care we can be of service, in fact, that is the confidential relation the

OLD FIRST NATIONAL BANK OF WASHINGTON

keeps with its patrons. We offer you every facility for safety, of convenience in banking and the interest return of government bonds, the highest class investment the world knows anything about.

Do you agree with Schiff?

To show how Mr. Rittenhouse works a news item into an advertisement, I want to read this advertisement under the title of "The Laughing Dollars." You will notice by indication how he gets the advertisement in for the safety of a bank:

The Laughing Dollars.

There was a bill before the last legislature of Pennsylvania, and it is to be re-introduced this winter, that has for its purpose the protection of the people against bogus mining, real estate and other fraudulent commercial schemes. It provides prison punishment for offering for sale the securities of any fraudulent concern. The introducer of the measure claimed that in his own county tens of thousands of dollars' worth of stock of this sort had been sold, and most of it to men and women of limited means, and more limited information and business experience. Possibly the riotous days of "alkali" and "cornstalks" are ended in Pennsylvania, but what of the commercial bunco games that are being worked in where they tickle the credulity of men and laugh with his harvest of dollars?

Are your dollars so loosely held that they can be tickled into laughter by the peddler's wand, give up their toll through the bucket shop, lured into "securities" of prospective value, or are they having their part in the development of the community in which you live, are they safe in some strong bank, like the

OLD FIRST NATIONAL BANK OF WASHINGTON,

where government supervision, the integrity of management, and more than ——— of assets guarantee their return to you, principal and interest, ON DEMAND? Verily it is

Better to be safe than sorry!

I believe you will admit that this is treated in a way to make people read it. The remarkable part of this series comes out in the fact that many of these advertisements have actually been reprinted as news items in publications throughout the country. For instance, the "52 Per Cent. Flag" article was reprinted in no less than seventeen newspapers as a news item. It shows the public interest,

and the fact that Mr. Rittenhouse has developed the point of contact with the public mind, and people read the First National Bank's advertisements to keep in touch with the average man's little world of dollars and cents. Now, what effect has it had in dollars and cents on the First National Bank? It has made the people of Washington and the surrounding territory believe in its admonition that "It is Better to be Safe than Sorry," and they have commenced to understand what it means to have money at command, principal and interest. The individual deposits of the First National Bank have grown steadily from \$385,000 in 1906 to over a million and a half—in 1911. Senator Cornish recently said: "I don't believe any of us know how valuable and effective that series of bank advertisements has been. I believe it is a discovery in bank advertising, and shows a talent and gift for such work which Mr. Rittenhouse himself does not appreciate at its true value."

Take these advertisements and read them. Put them down alongside of the advertisements that you use in your own publications. Look at them with a fair and open mind, and tell yourself the truth, and answer the question—Isn't it a fact that ten people will read such advertisements where only your own people read one of yours?

It is a fact that the average man whose money you ought to have doesn't care how big you are—he wants to know how safe.

It is a fact that the average man whose money you ought to have doesn't care how many million dollars you have, but he wants to know what you are going to do with *his* money.

It is a fact that he wants you to evince an interest in *his* particular problems.

It is a fact that *he* wants protection from the sneak thief, the embezzler and the fakir.

It is a fact that you can get the most confidence by a process of education, and by educating the man against get-rich-quick propositions, grafters, stock promoters, you get his mind unconsciously bent towards you, because you become a friend, protector and guide, and that's what he is after.

To accept this philosophy of aggressive care for the other fellow's money is too much to expect of the man who has been steeped in the idea that he is doing the depositor a favor, and his whole force act on that principle. A merely honest man, passive, cold, indifferent, has no weight in the community beyond eminent respectability. The term merely "honest man" is too often a polite way of calling a man a fool. The good book says, "To him who hath shall be given," but let us not forget that while Christ was a meek and lowly spirit, he whipped the money changers out of the Temple, and that he preached a gospel; that he went up and down among the Jews and Gentiles, preaching a gospel. He didn't sit in his house and wait until the people came to him to be saved. In fact, he enunciated the creed of the salesman who is king of the world. On one memorable occasion he told a man, "Go and sell," and his selling is nothing more nor less than educating a man to think about a thing as you think about it, and so keeping a savings bank involves an obligation as well as a privilege. The trouble with most of us has been that we have been concerned so much with the privilege that we have forgotten the obligation. The obligation is twofold, to be safe and sane, and solicitous.

I commend to your careful consideration a method which has assisted very materially in lessening bad practices in other lines, and that is co-operation upon the part of all savings banks in the work of educating the public to a realization of what a good investment is. Man will forever risk something in quests for buried treasure. He will forever attempt to find gold where unprincipled adventurers swear it is. We have materially lessened the heart-breaking quests by the spread of knowledge with respect to even the far corners of the world. Co-operative publicity has found its best expression in the work done

by the Pacific Coast cities in the development of immigration; in the Swiss Railroad's advertising in this country to obtain tourists for their lines in Europe; in the development of the Ceylon tea business in this country; in the development of immigration for the Canadian West, so the savings banks would be developing the trusteeship feature of their work if they would co-operate for the purpose of educating the people in right investments.

First—By a process of injecting aggressive educational work of the kind I have already shown, in their daily paper advertising, especially at a season when they know fake advertising of various kinds is being locally developed, either through the mails or in the advertising columns of their daily papers.

Second—Inasmuch as no one bank or set of banks locally can reach all sections, there ought to be a co-operative fund which would call for but a few dollars from each of the savings banks in the country, for the purpose of doing general educational work. The publication of articles such as appear in the *Saturday Evening Post* and other publications of a similar character by financial experts, and then these reproduced in pamphlets attractively printed, could be furnished to the contributing banks and to others at a minimum charge, to be distributed in the territory threatened by the invasion of fake investment sharks.

Third—Many articles could be written specially for such a campaign and their insertion could be obtained in the better class of local papers.

Fourth—Inasmuch as one swallow does not make a spring, one article on fake investments will not kill or interfere with the 20 per cent. grafter. It will be necessary to continue the fight for years, for the simple reason that there is a new generation of grafters born every day.

Fifth—This work could be done from a central office, probably under the direction of our efficient general secretary.

There are just a few things that you will have to guard against:

You will have to guard against distributing the kind of articles that nobody but a bank man will read. If you select a man to write your advertising as is at present

written, to write articles on investments and to educate people in the proper method of making investments, you will probably find nobody reads them. You will have to focus the investment truths on the minds of the people whom you are trying to interest, and that calls for an entirely different kind of a camera than the average financial writer carries.

You will have to guard against confining your advertising to the publications that reach the kind of people in whom you are not interested, i. e., the kind of people who make \$10 a week.

You will have to guard against a desire to talk about yourselves, because your bank and your thoughts, your ambitions, your financial interests, are not a particle of interest to the man keeping six children and a wife on \$15 a week. You must talk to him from the standpoint of his interest, and you will probably have to hire some man who is familiar with it and who can write material that will get to that kind of people.

The grafters of this country thrive on the man of small fixed income, who has not a reliable guide to help him make investments. He looks after it himself and has not been considered big enough by the bankers to cultivate. He is the man, however, who in the aggregate supports the savings bank, and who yields up his millions to contribute to the fake investment shark.

With the changing of this policy it does not mean that we will sacrifice one single iota of those high ideals which we are endeavoring to serve. We must be conscious in the daily work that the idea of savings banks is wrapped up in that old motto of the Black Prince—"Ich Dien"—I serve. It is a selfish service in your behalf as well as the public—don't let's befog it with altruism. That service pays you, for it pays in either preferment, position, money or in doing the kind of work that you like to do. Talk to your public in language they can understand, about things that they see, and hear and do, about their mistakes and successes, about a more efficient life, where those who do not waste have the happiness of not wanting. It requires no prophet nor seer to understand that the rewards will come to both beyond the dreams of 3 per cent. a year.

Efficiency of Supervision of Banks.

By HON. ARTHUR B. CHAPIN, Bank Commissioner for Massachusetts.

Efficiency is a word that has been much in evidence of late, and when applied to the supervision of banks represents a most essential qualification.

The object of supervision of banks is to ascertain that the deposits are safe, that the laws are complied with, that the responsibilities are realized, that the obligations relating to the investment and safeguarding of funds are fully performed, and, finally, that the public interests are protected in such a way as to create a feeling of confidence in the public mind.

It is impossible at this time to treat of the requirements of proper supervision except in the most general way. Different conditions require different treatment; the failure of directors or officials to perform their full duties requires a greater measure of supervision than is necessary where those clothed with responsibility appreciate their duties and give the proper time and attention to their exercise. In most of the States the legislatures have put out a sign, "Banks Supervised," which tends to create a feeling of confidence among depositors that their money is being carefully looked after by the State, and that, so long as a law relating to supervision remains on the statute books, it is safe from loss. Thanks to the fact that honesty is the rule among bank officials and bank

employees, and that as a rule surplus accounts have taken care of losses resulting from lack of zeal or experience, comparatively few depositors have suffered losses; and in general they have been lulled into a feeling of security by the words, "State Supervision." They do not know that too often what they consider a safeguard is ineffective, is merely a friend of the "dummy director," is really supervision in name only; and then when losses occur the man who holds the position of supervisor is flayed by the press and the public.

In my opinion legislatures are primarily to blame for attempting to create confidence in the minds of the public by inadequate legislation and then failing to make supervision effective by appropriating the necessary money or furnishing a sufficient force of men to do the work properly. The statement of the Comptroller of the Currency, Hon. Lawrence O. Murray, before the National Monetary Commission, applies to savings banks and other institutions under State supervision as well as to National banks. He said: "The supervision which we have been able to give banks under the law as it stands has been ineffectual and inefficient and disastrous. Either the Government ought to be able to draw a law and work under it efficiently or it ought to stop trying to supervise banks."

From a purely theoretical standpoint the supervision of banks, or, in fact, the governmental supervision of any form of industry, is unnecessary. Those who have been chosen to direct affairs and who have been clothed with the powers and responsibilities of management, and the employees who have duties to perform, ought to do their work properly; and the banks' own organization and directors ought to be sufficient to insure that result. If human nature were constituted differently, and if each individual employee, officer and director performed his duties honestly and to the full measure of his capacity, it would not be necessary for the Government to assume any of the functions of oversight, but experience has shown that there must be some supervisory function exercised from the outside to protect those interested; although in England the idea still exists that public opinion is the best censor of banking practice and is sufficiently strong to hold every bank of standing to sound principles. However well this may apply to their joint stock banks, where directors have a selfish interest, it has not been found sufficient for trustee savings banks whose soundness must depend upon the watchfulness of trustees.

The experience of the Commonwealth of Massachusetts illustrates what is necessary from a practical standpoint. While the same principles have been found to be essential for the National banks, the experience of Massachusetts applies especially to its State banking institutions, of which the savings banks are the oldest examples. These are what are known as mutual savings banks, which have prospered in the older States of the Union. They are not owned by stockholders, but are chartered bodies of incorporators, each body constituting a self-perpetuating board, electing trustees whose duty it is to direct the affairs of the bank, and who choose the managing officers and employees. In our savings banks the depositors have no voice as such in the election of those who shall manage the bank, though in the co-operative banks, which are building and loan associations, the depositors must be shareholders and are the electors of officers and directors.

The savings bank system of Massachusetts dates from 1816, when the Provident Institution for Savings in the town of Boston was incorporated. This is the oldest chartered savings bank in the United States and the largest one in Massachusetts, having over fifty millions of dollars in assets belonging to over one hundred thousand depositors.

It may be of interest in this connection to state that there are about five hundred institutions and agents at present under the supervision of the Massachusetts Banking Department, with assets of over one and one-fourth billion of dollars, of which over nine hundred millions are in the savings banks. As the supervision of trust companies and co-operative banks is more or less the same as in other States, this paper applies especially to the \$900,000,000 assets of savings banks.

After the first savings bank was chartered others were soon organized, and the legislature considered that some publicity should be required; so the first step in supervision was taken in 1834, and each bank was required to file annually with the Secretary of the Commonwealth a statement of its condition. No effort was made to verify the correctness of these statements until 1838, when the legislature concluded that, on account of the gross mismanagement of some of the banks, the State should exercise some supervision, in order that definite knowledge might be had in regard to the accuracy of the statements and that thus confidence might be inspired in the minds of the depositors and of the general public. A board of three savings bank commissioners was therefore established, with the functions merely of visitors, who should annually call at each bank and make a superficial inspection of its affairs. This board made its first report in 1838, and said in part: "The attention of the commissioners in the examination of savings institutions has been directed especially to investments and the system of

accountability as provided for in the by-laws and as carried out in practice. An examination of the individual accounts would be a work of great labor and of little advantage." Experience has since shown that such a trial balance of the depositors' ledgers, while a work of some labor, is an absolute necessity under any plan of effective supervision; for such supervision should include determination of a bank solvency or ability to pay its debts, and to be content to examine its assets without enquiring as to the liabilities as shown by its accounts with its own depositors seems hardly less than absurd.

In 1843 the Board of Bank Commissioners was abolished and the inspection of savings banks discontinued, though statements of condition were made to the Secretary of the Commonwealth, and the law required the trustees of each bank to provide for a semi-annual audit. After eight years, however, the legislature again decided that supervision should be exercised by the State and again established a Board of Bank Commissioners, with the same powers of visitation and examination of savings banks as those conferred by the acts of 1838. In the first report the new board said: "Of the general conduct and condition of these institutions we are able to state that they are in a safe 'condition' for depositors, and in their 'general conduct' they are in the main accomplishing the benevolent purposes for which they were created." Of the twenty-seven savings banks then in operation and visited by the Commissioners they state: "We have found but two institutions all of whose investments were made strictly in conformity to law." They saw that this was remedied, however, without any losses resulting to the banks therefrom.

The system of bookkeeping in the early days was unsatisfactory. In their report of 1865 the Savings Bank Commissioners said: "The system of bookkeeping and that regulating cash receipts and payments in our savings banks will bear no comparison for safeguards against fraud with those of some of the institutions of the same kind in Great Britain. Indeed, in one of our large banks, no verification of the general deposits account by the amount due individual depositors, as shown by the ledgers in which the separate accounts are kept, has been made since the bank was organized many years ago. In one of the largest banks of England, having 42,000 depositors, the depositors' passbooks go through the hands of five several clerks on receipt of each deposit, and of four on account of each payment, and a monthly audit of every case transaction is made by a professional accountant." But it was not until twenty-four years later, in 1889, that the law of Massachusetts required a savings bank to take an annual trial balance of the depositors' ledgers.

In early years the Commissioners in their reports called attention to the fact that too often the entire responsibility was thrown on the treasurers of the banks, the trustees making only the most formal examinations. They declared that the weakness and danger arose not from defects in the system but from neglect of such thorough and efficient supervision by the trustees of the details of management of the banks as would tend to secure faithfulness on the part of the clerks and treasurers, who receive and have the custody of its funds. The trustees must be looked to mainly for this security. In 1871 attention was again called to this weakness, and the annual report said: "Experience in all moneyed institutions teaches the necessity of frequent and thorough examinations of every item of business involving the receipt or payment of money, and in no institution is this exact supervision more needed than in the savings bank. Without it a system of fraud may be carried on for years, or until some accident reveal its existence. This supervision can only be carried on by the trustees. It is negligently performed in so many cases that the evil should be met by additional legislation declaring the duties of the trustees in this particular."

The next year the department again tried to arouse the

trustees to become active, and to provide for frequent and thorough examinations. "Reputation for the highest integrity," said the Commissioners, "has been found not a sure guarantee for honesty in financial affairs, and the most disastrous cases of defalcations are generally those least suspected."

But in accordance with human nature, trustees continued to be indifferent and could not be aroused to the proper performance of their duties, especially in having proper audits made of the books. So it was that last year (1910) the legislature concluded that the experience of Massachusetts had proved that the system of dividing the responsibility for supervision between the trustees of the savings banks and the State, having been carefully tried, had been found wanting; and the result has been legislation which centralizes all the supervision in the hands of the State Banking Department.

While but seven savings banks in Massachusetts have been forced to suspend on account of defalcations, in the ninety-five years of their existence, suspensions in every one of these seven cases could have been prevented if the trustees had provided for proper audits of the accounts. There would have been dishonesty without a doubt, for neither legislation nor supervision can make all men strong enough to withstand temptation. After the discovery of each defalcation, legislation was enacted to prevent its recurrence; but in each case the method of auditing the books was committed to the trustees, and the responsibility placed with them, until last year.

Experience having demonstrated the need of greater supervision, each new law increased its scope and created additional safeguards, always tending more and more to its centralization in the hands of the State. Very early the State limited the investment of deposits to certain classes of securities which should be reasonably safe; then it commenced to prescribe safeguards by legislation, putting responsibility for the enforcement of the law on the trustees. Now all the power of supervision is in the hands of the Bank Commissioner, who must see that the requirements of law are complied with.

While there is no question that the efficiency of supervision is greatly increased by these requirements, the expense is greatly increased to the State and to the banks, for they, the banks, must pay for the audits by the certified public accountants approved by the Commissioner; and the question is at once raised as to how far the State should go in increasing its own and the bank's expenses solely for the purpose of ascertaining whether officials are honest and observing the laws, especially as the percentage of dishonesty and failure to observe the laws is relatively very small.

It is already whispered that supervision has become too great a burden in the matter of expense, and that it would be preferable for the State to confine its supervision to the minimum, and to establish a guarantee fund for the protection of depositors in general, in addition to the guarantee fund which each individual bank is now required to maintain. This would be in the nature of an insurance fund to protect depositors from losses resulting from misappropriation of their funds. Such insurance would put too great a premium on careless management, and would tend to lessen that eternal vigilance which is the price of good banking. I do not believe that the result of a State guarantee would prove as advantageous in the long run as the present system, even with its increased cost. The recent failure of the Carnegie Trust Company of New York raised the question of the efficiency of the New York State Banking Department. The facts as stated by the Superintendent of Banks show that the department followed the affairs of that company over a year, trying to save it from failure; and that during that period four million dollars of doubtful assets had been turned into cash, and the claims of depositors had been reduced from fourteen to seven million dollars. The wisdom of its course is shown

by the fact that, when the end came, the loss to the depositors, both actual and proportionate, was far less than it would have been at any time prior thereto. The failure of the company was not due to the dishonesty of the employees, but to losses resulting from what would seem to be a violation of the laws of sound finance by the management of the bank.

More recently still the Union Bank of Brooklyn has brought up the question of efficiency of supervision over the acts of directors. In general, some of the largest losses have been incurred by banking institutions through neglect of trustees or directors to see that its officers took no improper risk or otherwise abused their trust. This can be remedied, in my opinion, only by the State taking the final step in efficient supervision, which will permit the immediate suspension and removal of trustees and directors who evidently fail to appreciate their responsibilities. The removal must be done quietly, without the publicity of the courts, which would alarm the public, and under proper safeguards which would prevent the power being abused on account of personal animosity. The State of Kansas has given its Commissioner this power, by prescribing that if he finds any officer of a bank dishonest, reckless or incompetent, he may order the directors to remove the officer; failure to comply with his order cancels the bank's authority to transact business until it is complied with.

A most important step in this direction was taken last year by the State of Massachusetts, when it enacted legislation providing that, "The Commissioner shall have power to recommend the removal of a trustee, officer or employee who in his opinion has abused his trust or has been negligent in the performance of his duties, and upon such recommendation the trustees may remove or discharge such trustees, officer or employee. The trustees shall act upon such recommendation within thirty days after receiving the same."

In one aspect supervision by the State has been considered an unnecessary exercise of its power, and bank officials have sometimes opposed any increase of powers which seemed to them to place them under suspicion. It has been only by actual demonstration of a need therefor that the legislatures of various States have been led to increase the supervisory powers. It must be remembered that legislation must be enacted to strengthen the weak conditions as they appear; and while those officials who have the requisite ability and faithfulness may not need supervision, public confidence in all is shaken when the weak places are disclosed; therefore legislation, to inspire confidence, must be equally exacting for all.

The experience in the savings banks of Great Britain has been similar to ours, and the need of supervision has been demonstrated there and acknowledged, though it has not yet reached the point of efficiency that it has with us. There savings banks were introduced at about the same time as in Massachusetts, but it was not until 1891 that any outside supervision was attempted, and then only after experience had clearly shown its need. Several disastrous failures of trustee savings banks in 1887 resulted in the appointment of a Select Committee of the House of Commons to enquire into the management of savings banks. This committee recommended the formation of a commission with powers substantially the same as those of the present Inspection Committee of Trustee Savings Banks, which consists of seven members appointed for a term of four years, one member by each of the following: The Governor of the Bank of England, the Council of the Institute of Chartered Accountants, the Council of the Incorporated Law Society and the Chief Register of the Friendly Societies, and the other three chosen by the above four from nominations made by the savings banks having not less than \$2,000,000 of deposits. Their duties are to appoint persons to inspect the books and accounts of trustee savings banks and to examine, ascertain and report to the committee from time to time whether each bank

has complied with the requirements of the acts and rules relating to the security to be taken from its officers, to the accounts of the bank and to the conduct of its business. The Inspection Committee makes an annual report to the National Debt Commissioners. It is well to bear in mind that the Government does all the investing of deposits, allowing the banks $2\frac{3}{4}$ per cent. interest; of this amount one-fourth of one per cent. goes for expenses and the depositors receive $2\frac{1}{2}$ per cent. The risk resulting from making investments by the banks is therefore eliminated.

In Canada there is at the present time no supervision by the Government, though a law has been framed and was presented to the last Parliament for such a purpose. In England, outside the trustee savings banks, and in France there is no Government supervision as we understand it; but there has been considerable agitation with regard to supervision in Germany in the last few years. The only returns made publicly in any of these countries are the published statements of condition, but there is no attempt at verification of the accuracy of these returns by the Government.

The first step toward efficient supervision in this country must be the enactment of proper legislation. This can be best accomplished by the co-operation of the bankers with the State Banking Department for the passage of proper laws. It is much better for this Association to favor specific legislation in accordance with the best experience than to leave the initiative to the different States until bank failures and heavy losses compel them to consider the safeguarding of deposits by State regulation and supervision. Each loss results in a blow to the public confidence and increased power for the postal savings banks, which, on account of their smaller interest rate, should not supplant savings banks, but should supplement them by educating the people to save; afterwards they will deposit their money where they can get a larger return, if they have confidence that their savings are being properly safeguarded. The first requisite in the conduct or management of a savings bank is the safety of the principal. This consideration should take precedence of any question of income; and the false cry that the savings of the people should be invested to develop real estate, or for any purpose except for its own absolute security and its return to the depositor on demand, should be treated with the contempt that it deserves.

In considering how the requisite safety may be assured the depositor's money, I am of the opinion that the best results will be obtained by the passage of legislation providing for the centralization of supervision in the hands of a single State commissioner or a single State board, which should be given great power, not only that its powers of remedying evil practices may be effective, but that it may be able to act quickly and to prevent impending losses before it is too late. The need of such power was demonstrated recently in Massachusetts, where the department had taken action to prevent impending losses, but the court refused to sustain the action of the department and ruled that "It would be going too far to say that, because a banking institution might become insolvent at some future time or suffer an impairment of capital, it was therefore hazardous to the public who might at that time have funds in its custody and so should not be allowed to continue its business"; and yet within a year the department was enabled to obtain legislation which closed the bank in question. It is doubtful, however, if the depositors will receive any dividend, but fortunately the bank is not a large one.

In Massachusetts at the present time public confidence in the savings banks is strengthened by supervision in three different form:

1. *An annual report* from each bank of its transactions and of its condition in a form prescribed by the Bank Commissioner.

2. *An examination* at least once a year by State examiners from the Commissioner's office, "to ascertain whether it has complied with the provisions of law."

3. *An audit* at least once a year at the bank's expense, in manner and form prescribed by the Bank Commissioner, by public accountants selected by the trustees subject to the Commissioner's approval. The law prescribes that this shall be "a thorough examination and audit of the books, securities, cash, assets, liabilities, income and expenditures, including an accurate trial balance of the depositor's ledger." The accountants' report of their audit is made in duplicate, one copy for the Commissioner, the other for the auditing committee of the bank's trustees. At the next meeting of the trustees the auditing committee is obliged to "render a report which shall be read, stating in detail the nature, extent and result of such examination and audit."

The law as above quoted provides for determining liabilities by requiring examination of the depositors' ledgers, which may or may not agree with the actual liabilities of the bank as stated upon its passbooks in the hands of its depositors. Such possible disagreement has been recognized by the State, and more than twenty years ago a law was passed requiring that savings banks once in three years shall, by advertisement and otherwise, call upon depositors to send in their passbooks for verification by disinterested authority within the bank. In most cases such efforts bring in but a small percentage of the outstanding passbooks and the State has provided another opportunity for requiring verification of liabilities in a different way.

The Commissioner has been given the right to "prescribe the manner and form of keeping the books and accounts of such banks, the extent to which they shall be audited and the manner of safeguarding the money and securities"; thus the Commissioner is in position to prescribe such form of constant internal audit as he may think desirable, in addition to the periodical external audits by public accountants. The best method of verifying liabilities is by having the passbooks constantly compared with the books of the bank, when presented in the ordinary course of business. All that is necessary is that the entry in a passbook made by one employee shall form the basis on which a second employee makes an entry on the books of the bank; and that the second employee shall thereupon return the passbook to the depositor without its going back to the one who made the entry in it. This plan can be carried out in practice in small banks as well as in large ones, since there are few banks so small that the treasurer does not have at least one clerk. Even one man, however, can handle the matter safely, provided his assistant is a machine of the sort now actually in use in the Union Dime Savings Bank in New York for the purpose. This machine stamps the amount of the deposit or payment on the passbook and at the same time registers the number of the book, date and amount inside the machine, under lock and key. Another system which has been used by English savings banks, and to some extent by small banks in this country, is an annual showing or publication of the number and amount of every account in the bank, with the idea that thus all depositors may verify their own passbooks; but in view of the size to which some of our banks have grown and the extent to which depositors are scattered, I do not believe that the expectation that each depositor will thus verify his account provides an effective check. It may be said that, with the most thorough audit, both internal and external, it will not be possible to stop all leaks, and that there will always remain places where verification is impossible; but at least the opportunities for dishonesty should be and will be greatly reduced, and employees will be kept from temptation by making dishonesty as difficult as possible.

The auditing of the savings banks at their own expense by public accountants has imposed a considerable burden, which I believe could be materially reduced without detract-

ing from the thoroughness or efficiency of the audit, if conducted by accountants in the employ of the State Banking Department, who would devote their entire time to such duties. These audits could then be made concurrently with, and constitute a part of, the annual examination of the banks, the Banking Department thereby insuring, as far as possible and in a uniform manner, full and complete knowledge of all the business and affairs of the bank at a specified date, and avoiding a duplication of labor which, to some extent, must necessarily prevail under the system as now divided. I believe that any supervision undertaken by the State should be recognized as for the benefit of all its citizens, and should be a part of the expense of State administration, especially in view of the fact that the savings banks pay taxes into the State Treasury of nearly two million dollars annually. Experience tends to show, in New York State for example, that assessment of the expenses of the Department upon the banks is unsatisfactory both to the banks and to the Department, introducing, as it does, a source of friction and tending to produce in the banks a desire to hurry the examiners so as to reduce their expenses. The State of New York now assesses on the banks the cost of the Banking Department, but Governor Hughes, as well as different Superintendents of the Department, have recommended that this system be abolished and that the State pay the entire expense.

The human equation of the examiner is a most important requisite for the success of supervision or all laws will be unavailing. He must have good judgment, good tact and some presence, together with practical banking experience, in order that he may be able to obtain the information he desires without causing friction. I do not believe a civil service examination will qualify the best men unless political considerations dictate the appointments, in which case civil service examinations will produce better qualified men than the politicians.

To sum up: Efficient supervision requires proper legislation providing for the centralization of oversight in the

hands of some disinterested branch of the State Government, such as the State Banking Department, which should have an adequate force of capable assistants and a sufficient appropriation to make such examinations as may be necessary to ensure the safety of deposits, compliance with law, and also to make an audit of the books for the protection of the depositors, all of which should be done so thoroughly and effectively as to inspire confidence in the minds of the public. I would also favor vesting the State Banking Department with strong powers for the safeguarding of deposits, together with authority to recommend to some proper tribunal, which could act without publicity, the suspension and removal of any person whose connection with the bank may be detrimental to the depositors.

It is not the purpose of this paper to give the impression that the State Banking Department should attempt to dictate the business policies of the banks, or endeavor to supersede the management in any respect. The trustees of our savings bank are men of ability, who have the confidence of the community and who give their time and judgment without compensation; though in my opinion they too frequently confine their attention and interest to playing the part of quiet listeners to the record of transactions at the required meetings, and delegating all their powers to the officials in charge.

The success of our banks will always rest upon the honesty, good judgment and able management of those who have been entrusted with the active charge of them. The functions of management and supervision are entirely apart and distinct. The able manager, who desires to conduct his bank in accordance with the requirements of law, need have no fear that the supervision can be too strict or searching. Let bank officials co-operate with the banking departments to make supervision so efficient that deposits may be secure, that officials and employees may be faithful, and that the public may have the fullest confidence in our institutions for savings which have become such powerful factors for the welfare of the people.

Committee Reports—Savings Bank Section.

Annual Report of the Executive Committee, by Rome C. Stephenson, Chairman.

The past year has been one of unusual activity on the part of the Executive Committee of the Savings Bank Section of the American Bankers' Association. A few weeks after the convention adjourned at Los Angeles, Mr. William Hanhart, who had served the Section so efficiently and satisfactorily as its Secretary for a number of years, died suddenly at his home in New York City from the effects of an operation. It was fortunate, however, that during his years of usefulness he had thoroughly trained an assistant in his office, who was equipped to carry on the work without interruption, until a successor was chosen to fill the office. The officers of the Section and members of the Committee were freely consulted, and after a careful and painstaking investigation Mr. William H. Kniffin, Jr., of Brooklyn, was selected to act as Secretary until the spring meeting of the Executive Committee, at which time the appointment was ratified. Mr. Kniffin was thoroughly acquainted with the great and valuable work that had been accomplished by his predecessor, who had often consulted and advised with Mr. Kniffin concerning various phases of the work, so that the latter was enabled to take charge of the duties of Secretary in an intelligent, energetic and forceful manner, and practically all the work that had been undertaken and planned by Mr. Hanhart has been carried out, together with many plans that were conceived by Mr. Kniffin.

During the meeting of the Executive Council, at the Hermitage Hotel in Nashville, Tenn., in May, 1911, two important meetings of the Executive Committee of the Savings Bank Section were held, which were attended by Messrs. Robinson, Johnson, Teter, Sartori, Gurney, Palmer, Ravencroft, Rimmel, Kniffin and Stephenson. General regret was expressed by the members present over the death of Mr. Hanhart, and suitable resolutions were prepared, adopted, engrossed and a copy thereof sent to the family of the deceased.

Upon the invitation of the committee, Mr. James B. Forgan, Vice-Chairman of the Currency Commission of the American Bankers' Association, made an address upon the proposed plan of establishing the National Reserve Association and the proposed changes therein, whereby Mutual Savings Banks, State Banks and Trust Companies would be enabled to obtain practically the same benefit therefrom as would ensure to the National banks. The matter was presented by Mr. Forgan in a plain, clear and convincing way, and when he had completed his address it was the unanimous opinion of the committee that the plan so ably presented should be cordially endorsed, and suitable resolutions giving such approval were prepared and adopted.

It was brought to the attention of the committee that the book of forms, which had been prepared by Mr. Hanhart, was meeting with an active sale. This book of forms was compiled by Mr. Hanhart after years of patient and incessant work and investigation and it contains forms for every conceivable condition that might arise in any savings bank, and the forms are those that are used by the most progressive and successful savings institutions of the country. It is especially gratifying to know that so many of the banks have availed themselves of the opportunity to procure these books, which are sold through the office of our Secretary.

A committee was appointed, consisting of Messrs. Robinson, Palmer and Kniffin, to visit Mr. J. H. Thiry, of Long Island City, for the purpose of taking up the work of the school savings banks, so that the grand work that had been accomplished by Mr. Thiry along those lines could be perpetuated and fostered after his death.

The matter was suggested by Mr. Kniffin that it would be appropriate to celebrate the Savings Bank Centennial in 1916, and a resolution was adopted, endorsing such a celebration by an appropriate program, that was outlined by Mr. Kniffin.

Before the adjournment of the meeting all the business and financial matters of the executive committee were fully discussed, a detailed report was made relative to the receipts and expenditures and the manner in which the accounts are kept and vouchers for all expenditures filed and a committee was appointed to audit the financial books of the Secretary and report thereon.

When the Postal Savings System was about to be placed in operation, a number of the mutual savings banks of the country made application to the Board of Trustees to be made depositories therefor, and the authorities at Washington held that there was considerable doubt, as to whether mutual sav-

ings banks, organized without capital stock, were eligible to act as depositories under the law which created the Postal Savings System. A ruling of this character had a far-reaching effect among the mutual savings banks, and upon the request of the Secretary of the Savings Bank Section Thomas B. Paton, the general counsel of the American Bankers' Association, prepared a thorough and exhaustive brief upon the subject and presented it in such a clear and convincing manner that the authorities have within the last ten days decided that mutual savings banks of the character mentioned are eligible to receive deposits from the Postal Savings System to the amount of one-half of the amount of their surplus. The work accomplished by Mr. Paton was thoroughly appreciated by the executive committee, and it has been expressed in a resolution which was unanimously adopted by the committee at its first meeting in New Orleans.

Every member of the committee has shown a keen interest in all the plans and suggestions that have been made for advancing the interests of the members of the American Bankers' Association. It seems to be the sentiment of this executive committee that the way is clear to obtain the passage of the bill, which has been so heartily approved by the experienced bankers and Statesmen of the Monetary Commission, but that in order to accomplish the desired result, that it is necessary that the work be carried on harmoniously and without friction. That it is essential that a united effort be made by practically all the bankers of the country for the passage of the bill that will be presented to Congress, for the creation of a National Reserve Association. The members of the Savings Bank Section and the executive committee thereof are well organized for the work, and it is the general belief that they will contribute in no small way to the efforts to obtain safe, conservative and practical currency legislation.

Report of the Committee on Methods and Systems.

To the Members of the Savings Bank Section, American Bankers' Association.

GENTLEMEN: Following the custom of past years, your Committee on Savings Bank Methods and Systems (heretofore designated the Auditing Committee) has addressed a series of questions relative to the methods and practices of savings institutions and banks operating savings departments, with the idea in mind of ascertaining the prevailing practices and to make such recommendations and suggestions as seem pertinent to this occasion.

The inquiry this year was composed of twelve questions and was addressed to 1,900 member banks and and all non-member banks in the Eastern and New England States, making about 3,000 banks in all. Over 800 replies have been received, and we beg to present herewith a review of the answers, with such comment as we are agreed will tend to promote the efficiency of the savings bank management.

Respectfully submitted,

CHARLES E. SPRAGUE,
President Union Dime Savings Bank, New York.

VICTOR A. LERSNER,
Assistant Cashier Williamsburgh Savings Bank, Brooklyn.

W. R. MEAKLE,
Secretary Paterson Savings Institution, Paterson, N. J.

W. H. KNIFFIN, JR., *Secretary.*

No. 1. In using the balance passbook, what efforts, if any, are made to ascertain that the extensions are correctly made before the passbook is returned to the depositor?

The balance passbook is coming into universal favor and the old-style book with debits on the one side and credits on the other is now used by but a small proportion of the savings banks of the country. The reasons for the popularity of the balance passbook are: First, the general satisfaction it gives the depositor in enabling him to ascertain the correct balance at any time without being obliged to make the footings and subtract across the pages; second, because of the ease with which the bank employees can check the passbook balances with the ledger accounts, which are now largely in the balance form. The main danger of the balance passbook lies in extending the balance in haste, with no other check than human accuracy. About 25 per cent. of the banks still depend upon the teller to be careful in his extensions, the only check being a second mental calculation.

Undoubtedly the most efficient safeguard in this respect is to post the transaction on the ledger while the depositor waits; this, of

course, necessitates delay and additional clerk hire and is in operation in but few of the large banks, the Bowery Savings Bank of New York being the most notable example. In the latter case, however, withdrawals only are posted while the depositor waits. Many banks pass the transaction through two hands and therefore have a double check, but subject to human fallibility nevertheless, which in such a case is not apt to be a serious factor. Thirty per cent. of the banks report that they verify the balances each time the book is presented, but not in all cases, however, after the extension has been made, which is the point of greatest weakness inasmuch as it permits the book to get out with the last extension incorrect. This is a serious matter if not corrected at once, since the depositor is quite likely to take it for granted that the last balance in the extension column is the correct amount due him, and an error, if of long standing, is not always easy to correct. Where the extension is not verified after being made, a most excellent system, and one which the committee can heartily recommend, is as follows: Provide a space on both the deposit ticket and the withdrawal slip for the insertion of the balance as it is after the teller has made his entry, which amount is checked by the bookkeepers in posting; therefore, if error has occurred the book can immediately be called in and rectified. This, of course, will permit the book to get out for a short time (not over three days) with an erroneous balance, but the idea has so much of merit in it that is worthy of wide adoption. If this system is used some attention should be given the addresses of the depositors, which in the case of withdrawals can be written with the signature. Many banks still compare balances only when the interest is added, which opens the door for an error to exist for six months or longer, and about 25 per cent. of the banks still adhere to this system. One bank reports comparing for all withdrawals of \$25.00 and over, or when the payment called for apparently reduces the balance to a minimum amount, and also on books not having the last interest added. One bank reports proving the work by taking the old balance from the new, the difference being the amount of the transaction just made. A few do not extend the balance for deposits, but verify on withdrawals. Where there is no adequate check on the extension of the balance, and none can reasonably be made other than the teller's accuracy, the Committee recommend that somewhere on the book in plain sight be printed a notice to this effect: "The balance shown in the balance column is memorandum only for the convenience of the depositor and is not guaranteed to be correct until passbook is presented for verification at the bookkeeper's window." This might well be incorporated in the by-laws, but however used, it is notice to the depositor not to place too much dependence upon this feature.

No. 2. In paying withdrawals on the old-style debit and credit book, how do you ascertain that the balance on the book is sufficient to pay the amount called for without keeping the depositor waiting an undue length of time?

The old-style book is not, as above stated, in common use, but still finds its place in some of the largest banks of the country, for the reason that no adequate system has yet been devised of making rapid extensions without the danger of error, as already indicated. In making payment on this class of books 70 per cent. of the banks report that they compare with the ledgers before making payment. One half state specifically that they use the balance book and a larger proportion than one-half no doubt use the balance form. Many banks refer to the ledger only in the case of withdrawals, while a few depend upon the teller to strike a mental balance. A few compare if the draft reduces the balance to a small amount; others post at the time and therefore run no risk of overpayment. Where the notice of withdrawal is enforced, the correct balance is, of course, ascertained during the interim between the notice and the withdrawal. The usual method with the old-style book is to carry the balance in lead pencil, which can easily be altered by the would-be manipulator, and these figures should not be depended upon without further verification.

No. 3. Where small amounts are called for, apparently closing the account, do you make any effort to ascertain if the amount is correct and will not leave a small balance?

The accumulation of small balances in savings banks is not generally desired, the intent being that the depositor shall have not only all the money he has deposited, but all the interest his money has earned. This is but a matter of corporate honesty. The only way small balances can be absolutely prevented on passbook accounts is to ascertain the ledger balance before paying. Depositors in savings banks wishing to close their accounts usually so state, and it is quite the common rule to compare all books where the account is to be closed. If the book comes in for collection and the balance called for is erroneous, the full amount is usually paid, or the depositor advised that there is a small balance remaining. Over 70 per cent. of the banks report that they make an effort to prevent small balances accumulating, which efforts consist of: First, comparing all books that go through the bank; second, by comparing all withdrawals; third, by posting all checks before payment is made; fourth, by requiring notice. Probably 2 per cent. encourage small balances to hold the account and act as "seed," and therefore make no effort to close accounts where the balance is not called for in full.

No. 4. How do you prevent the accumulation of small balances, less than the amount required to draw interest?

Savings banks generally accept deposits of \$1 and upwards. In a few cases as low as ten cents is received. Interest is frequently paid on \$1 accounts and a deposit of \$1 therefore comes within the interest

rule and is not considered a "small balance." To prevent small accumulations below the \$1 limit only one method is absolutely sure and that is to compare each account before paying. Twenty-five per cent. of the banks report that they do not prevent them, treating them as in a measure blinding the depositor to the bank. A limited few will take anything on deposit, while fully 50 per cent. insist upon closing the account unless an interest-bearing amount (frequently \$1.00, but in some cases \$5.00) is left. The treatment accorded petty balances is as follows: First, carry them along as open ledger accounts, which is a decided disadvantage; second, close them out into a controlling account of petty balances; third, notify the depositor to draw the amount or add enough to it to make it an interest-bearing account. Some banks carry the petty accumulations into profit and loss or expense account—in a measure confiscating them.

No. 5. Do you make any effort to prevent duplication of accounts, including the abuse of the trust and joint account through which more than the legal limit is deposited, apparently in other names, but in reality the money of one person? If so, how?

The reason for the duplication of savings bank accounts is well stated by the court in the case of *Beaver v. Beaver*, 117 New York, 421: "We cannot close our eyes to the well-known practice of persons depositing in savings banks money to the credit of real or fictitious persons with no intention of divesting themselves of ownership. It is attributable to various reasons—reasons connected with taxation; rules of the banks limiting the amount which any one individual may keep on deposit; the desire to obtain high rates of interest where there is no discrimination based upon the amount of deposit, and the desire on the part of many persons to veil or conceal from others knowledge of their pecuniary condition." To this may be added the confidence some people have in their favorite bank—a confidence which induces them to evade the rules of the bank, openly at times, and often by subterfuge, in the endeavor to place all their savings in its keeping.

The abuse of the trust account is well illustrated in the case of *Washington v. the Bank for Savings*, 171 New York, 466, in which an old woman had \$30,000 in savings banks largely in fictitious trust accounts. In many of the States there is no legal limit for deposits, and many banks having savings departments establish no arbitrary limit, taking all that is offered, while others use discretion in accepting large amounts. The limit of deposits runs from \$2,000 in Maine, Vermont and Massachusetts to \$5,000 in New Jersey. Connecticut limits the deposit to \$1,000 in a single year with no maximum, while Maryland has no limitation at all. Fully 50 per cent. of the banks report that this is not a troublesome element, inasmuch as they are not restricted by law and welcome large deposits as a matter of growth, and therefore make no effort to limit the amount received. As a rule, in such States as New York and Massachusetts, where there is a legal limit, and therefore a temptation to circumvent the law, banks endeavor to prevent duplication of accounts by asking if the depositor has another account at the time of opening a new account, and also by reference to their indices. Some banks in indexing names make note of duplications and when found require the depositor to close out the surplus accounts; but where the accounts are voluminous and the names liable to duplication, such accounts cannot be avoided by any process except ascertaining the identity of each depositor—an obvious impossibility. Less than 5 per cent. of the banks refuse joint accounts, while very few decline trust accounts. Others allow a joint account after the limit has been reached on a single-name account. Thus, in the Bowery, a depositor who has a joint account may have an individual account, and vice versa, and any number of trust accounts for members of the immediate family or relatives; but duplicates, if discovered, are corrected. Each bank must decide this question for itself, and no broad rule other than care and inquiry can be recommended. In small places it will not be difficult to overcome this feature, while in a large city it is quite impossible. The only sure method would be to carefully compare all new names with those on the books, scrutinizing closely joint and trust accounts, which would require the attention of one clerk for the greater part of the time. In cases such as life insurance legacies and other moneys of like character, the limit can safely be extended, if not regulated by law, and if the amount is very large may be divided among other banks. Many banks make it a point to watch the large accounts.

No. 6. Do you make any systematic effort to verify all passbooks, and if so, when and how?

Except in those States such as Massachusetts, which requires verification every three years, New Hampshire every four years, and Vermont every five years, such verification is, of course, compulsory and more or less simultaneous throughout the State; otherwise savings banks do not as a rule endeavor to verify all passbooks within a given time, although in the course of two or three years, a large number of books are usually verified. Many banks verify all the books that come in, but do not endeavor to prove all outstanding obligations of this character. The most common method is to give notice to the depositor on the book itself, or on the cover, to present the book frequently for entry of interest, and balances are verified only when the books are presented in response to this notice. It should be a fixed rule in every bank handling savings accounts not to allow a book to come in without ascertaining if the last dividend has been added, at which time the balance can be checked. The most complete automatic verification of all passbooks is the Schenectady plan, now in use in several parts of the country, which briefly stated is: Once every three years the passbook numbers and balances of all accounts

are published in the daily press and widely distributed, making it possible for each depositor to be his own auditor and check the balance as he finds it advertised. The Committee would recommend that in semi-annual dividend notices passbooks be called in for the entry of interest. Many depositors would do this if their attention was called to the importance of it, and all depositors failing to present their books during a period of three years should be communicated with, and if not presented in five years a systematic effort should be made to locate the book, and in order to do this some check must be made on the ledger account to indicate when the last entry of interest was made.

No. 7. In making up your balance sheet or report, how do you arrive at the market value of your bonds and stocks?

The true condition of all financial institutions as judged by liquidating values depends upon the valuation placed upon the securities subject to fluctuation. If this were not an important factor it would not so universally be made the test of solvency. It is important that in judging one bank against another this test shall apply equally to both, and it cannot be equitably applied unless both banks shall have a uniform method of arriving at values. In some States, notably in New England, the values of certain securities, such as bank stocks and railroad bonds, are designated by the banking department, and all banks are required to appraise their securities by these quotations, thus making uniformity the rule and leaving it to the banks to place their own values on other securities.

Three methods are found which typify the usual procedure in bond valuations: First, to ascertain by published quotations the current values of such securities as are matters of public record. The reliable quotation sheets of daily or monthly periodicals will give this information, and as to securities not listed, the offerings of bond houses may be taken as a fair indication of current quotations. The second method is to periodically submit a list of the holdings to two or more reliable dealers, asking them for the current prices of the same and selecting the one which seems to be the fairest. Third, to depend upon the bank officers' judgment or estimate, which at best is a mere conjecture. Many banks pride themselves upon the fact that they immediately reduce all bond holdings to par and are therefore not over-concerned about market values, but so many reports require market values that some attention must necessarily be given to them. The Committee recommends that where the bond holdings are of any considerable magnitude that a list be submitted to their brokers at report time, who will gladly place quotations on the same without charge.

No. 8. How do you dispose of accounts which become "dormant" through lapse of time?

The disposal of dormant accounts is regulated by law in some States, and where the law has stepped in and taken care of this matter it necessarily follows that the law is obeyed. Thus in New York, all dormant accounts of twenty-two years' standing are reported to the banking department and nothing further is done in the matter. In Massachusetts, according to the new law which has just been declared constitutional, accounts of thirty years' standing are taken over by the State and held subject to the action of the depositor. Most banks regulate this matter by by-law, stipulating that after a certain period undisturbed accounts shall cease to draw interest, or will be "closed"; and if by the term "closed" is meant carried into profit and loss or some other account the practice would be illegal, for it would be "confiscation of property without due process of law," and the Committee recommend that such by-laws be amended to read simply "shall cease to draw interest."

Quite generally banks endeavor to prevent the accumulation of dormant accounts. These endeavors are in the line of advertising, following up inactive accounts, and in other ways tracing the depositor whose account seems likely to become quiescent. This inquiry, however, has to do specifically with the disposal of the accounts on the bank's books. Twenty-five per cent. of the banks report that they allow the account to remain in its original place, some paying interest for the full time, and others discontinuing the same after a period determined by themselves. Dormant accounts of small amount are closed out into a controlling account for the purpose of eliminating these odd balances from the ledger. A few banks carry the dormant balances into profit and loss or such other account as may be determined upon and make record of the balance for future reference.

No. 9. Do your officers verify the bond and mortgage loans by physical examination of the papers and endeavor to ascertain in other ways that the amounts called for are correct? If so, how?

The law in many States and the rules of the banks in many cases require that the obligation in the mortgage loan, whether bond or mortgage note, shall be passed upon by the examining committee or by whatever name this body may be called, and 50 per cent. of the banks reply that such an audit is periodically made. The trouble with such auditing is that as a rule it is hastily done and by those not in position to do it full justice. No exhaustive effort is made to determine that the papers are complete and the unpaid obligations in the same amount as called for on the books of the bank. The banks reporting no audit of this kind are few indeed. Many banks are now employing certified public accountants for such work, and in Massachusetts an audit by such person is compulsory. In cities where clearing house examinations obtain and savings banks come under the clearing house supervision, these papers are passed upon by: first, the bank officials; second, the clearing house, and third, the State authorities, and in many States the State audit is carefully done. The Committee recommends that the audit by the trustees be accompanied by an examination

as to the endorsements of partial payments, and that in sending out interest notices provision be made for the borrower to verify the amount of his own obligation. This can easily be done by stating in the interest notice that interest on a specified amount at a certain rate will be due on a certain date, and the borrower can be depended upon to act in the matter. The Banking Department of the State of Massachusetts is now verifying every mortgage loan within its jurisdiction by communication with the borrower—a very commendable piece of savings bank supervision.

No. 10. Have you ever had to send bonds or call in mortgages in whole or part to satisfy the demands of your depositors?

The answers to this question are a revelation and refute the arguments often advanced in support of the proposition that a savings bank must sooner or later cash in its bonds for the purpose of meeting the demands of its people. Six hundred and fifteen banks out of eight hundred and eleven reply that they have never had to sell a bond or call in a mortgage for such purposes, and those which have been obliged thus to do have done so under conditions such as obtained in 1893 and 1907. Many banks admit that in the reduction of dividends or some other change of policy they have sold bonds to meet withdrawals, but this has been anticipated when the step was taken and cannot be classed as selling securities under pressure. A very few—probably less than twenty-five—report that they have called in mortgages in whole or in part to meet withdrawals, and we may safely conclude that savings banks as a whole operating with a fair margin of cash reserve need not be over-apprehensive on the question of selling securities to meet withdrawals.

No. 11. What has been the general effect of the notice of withdrawal upon deposits and depositors when enforced?

Fifty per cent. of the banks report that they have never been obliged to enforce the notice of withdrawal. One bank in Massachusetts, in operation ninety-three years, states that they have never had occasion to fall back on this safeguard, while another in New York in business sixty years has had a like experience. The panics of 1893 and 1907 are perhaps the only occasions where this has been widely used, and where used with proper explanations the effect has been good. There are banks, notably in Pennsylvania, which require notice on all withdrawals, and therefore never experience any undue comment on this feature of the business. A few quotations on this question may be interesting from the human interest standpoint.

- "General acquiescence."
- "Increases the crowd and decreases the deposits."
- "Badly scared and the notice scared them more."
- "The depositor takes his medicine, but with a wry face."
- "The depositors treated us nicely, but a few kicked."
- "During the panic we were scared blue."
- "Where there is competition the rule is demoralizing; otherwise the public get used to it and arrange accordingly."
- "Everybody usually wants all their money."
- "Ultimately all the notices are withdrawn."
- "Timid during the next crisis."
- "Depositors disappointed. Few get mad. Restrictions removed—confidence restored—things go on as usual."
- "Will never use it again unless the notice is general."
- "Made us a lot of friends."
- "Bad. Carried us nearly to liquidation."
- "Shows strength rather than weakness."
- "Bad. Sign of weakness."
- "Creates uneasiness—reduces deposits—increases withdrawals."
- "Always serves its purpose. Out of one hundred ten withdraw."
- "Depositors perfectly satisfied."
- "Depositors regard it as a reasonable precaution. The impression is that the bank is entitled to notice."
- "Three or four depositors got fresh in 1907 and we asked a notice of them just to show them."
- "Notice does no harm."
- "Educated the depositors in savings banking more than anything that has occurred at any time before or since."
- "Dissatisfied at first, but general calming down."
- "In 1907 the depositors were better educated and behaved very much better than in 1893."
- "In 1907 all savings banks in Connecticut asked notice, which was accepted by the depositors without question."
- "Not well received."
- "No ill effects."
- "Decreased deposits."
- "Had a reassuring effect."
- "As a whole not good; they are 'distrustful.'"
- "No detrimental effects."
- "Apprehensive in case of future withdrawals."
- "Helped stop the run."
- "Unsettling."
- "Stopped the run immediately in every case."
- "In the long run a salutary effect."
- "Depositors much more reasonable in 1907 than in 1893."
- "Excitement over in a few days."
- "Only 200 out of 8,000 depositors filed notice. We were sorry we required it."
- "Splendid results. Saved the bank. No bad effects."
- "General effect not good—always regretted it."

No. 12. How rapidly can you handle people at the counter, and what is the secret of your success in this respect?

The speed at which the depositors can be attended to is far more vital in banks in metropolitan cities than in small or rural towns where it seems to be expected that a social chat with the depositor shall ensue. In the large banks there is a constant struggle to get the line cleared off without employing too many clerks, which would greatly add to the expense.

One feature which is becoming prominent is to require or encourage depositors to make out their own tickets. Not only does this save the tellers' time, but furnishes valuable evidence in case of dispute.

The use of special machines for making entry in passbooks is mentioned. The speed can be doubled by an amanuensis working the machine after the teller has checked off the ticket; also the division of the accounts into groups, either alphabetically or numerically, each group to have its own ledger, its own signature, etc., all closely accessible. This appears to be unusual in America, though known in Germany and Holland.

If while the depositor is in line to draw, his ticket can be verified as to balance and signature, so that he can be paid as soon as he reaches the window, this will make the act of payment as prompt as that of the receipt of deposits.

A careful reading of the replies to this question demonstrates that the consensus of opinion is that the handling of crowds is merely a matter of window space and clerical force. The banks which are the most successful in handling their people do so by a system of units, each window being a unit, and as the crowd increases increasing the number of windows with proper attendants so that there will not be congestion at any one window; and this seems to be the solution of the whole question.

A few comments relative to this subject will be timely, to wit:

- Eliminate red tape.
- Plenty of clerks and strict attention to each depositor.
- Clear heads, tact and ability.
- Simple and effective machinery.
- Do not gossip.
- Keep money in the proper shape.
- Use automatic coin changers.
- As to speed it varies:
- One bank reports 2 transactions a minute.
- Another 50 an hour by one teller.
- Another 100 an hour at the receiving teller's window.
- Another 400 transactions from 8:45 to 3:15.
- Another 450 in a business day with one teller and one bookkeeper.
- Another 425 deposits with four clerks in two hours.

Report of the Secretary.

To the President and Members of the Savings Bank Section of the American Bankers' Association:

The period which has elapsed since the Los Angeles Convention has of necessity been one of re-adjustment. The death of the late Secretary, already alluded to in this Convention and of which we are vividly reminded at this time, has necessarily brought about some changes in methods, but I hope none in aims or ideals. As I have followed him in his work and come into close contact with it in detail, I am more than ever convinced of his genuine worth as an administrator of great things and an indefatigable and efficient worker in the small things which go to make up the greater. And while I have tried to be a worthy successor, I have sought at the same time to carry out the spirit of the Section as it appealed to me, and to lay a plan for future activities which would afford an outlet for our energies for some time to come.

Since coming with you on the first of March last, my aim has been to get a grip upon the work as a whole as fast as possible; to devise definite methods of development; to interest the non-member banks in the work the Section aims to do; to be useful and helpful as occasion has arisen, and in all things to remember that we are here to serve, and only as we serve can we grow, and the larger our growth the more efficient should be our service, and the more generous withal.

Each member of the Section has been communicated with three times in the course of six months, while the non-member savings banks have twice been solicited for membership—once through the medium of a little pamphlet explaining the work of the Savings Bank Section and again through the medium of the school savings bank pamphlet, both of which have met with ready acceptance and have resulted in bringing in at least thirty members, some of them large institutions and eminently desirable on account of their strength.

THE VICE-PRESIDENTS.

Mention should be made at this time of the very efficient services of our vice-presidents, especially in some of the States. They have at all times been ready and willing to co-operate in promoting the welfare of the Section, and some of these officers have, at no little expense of time, sent out personal letters to all non-member banks soliciting their co-operation, and with a considerable degree of success.

MEMBERSHIP.

The membership of the Section as of September first, 1911, stood at 1,888, being a net increase of 115 banks for the year, and it will not be long before we number in our department over two thousand banks. (The present membership is 1,907.) It is greatly to be desired that all of our largest and strongest savings banks

shall become interested in the Section, and definite efforts have been made to so shape our work as to appeal particularly to them; especially is this true of some of our great New York City savings banks which heretofore have not honored us with their support. We can have no more laudable ambition than to bring our work up to such a degree of efficiency that on its merits alone, it will appeal to every bank whether large or small; and just as soon as we become an indispensable factor in the work of the savings banks of this country just so soon shall we be able to enlist the support of every institution that does a savings bank business.

EXPENSES.

The expenses of the Section have been well within the appropriations, \$7,242.57 having been expended out of a total of \$8,250 allotted to our work, the items of which are as follows:

Appropriations	\$8,250.00
Expenses from July 1st, 1910, to September 1st, 1911.....	7,242.57
Balance	\$1,007.43
Detailed expenses for 14 months (July, 1910—September, 1911.)	
Rent	\$630.00
Book of Proceedings	1,809.42
Petty cash and sundries.....	257.26
Salary of secretary	1,500.00
Postage	345.00
Stenography and typewriting	1,256.00
Printing and stationery	474.53
Convention expenses	330.50
Committee expenses	639.86

Total expenses

BOOK OF PRINTED FORMS.

Total receipts to date (September 1st, 1911).....	\$8,332.10
Total expenses to date	6,481.55

Balance on hand September 1st.....

It has been my aim in our department of the Journal of the American Bankers' Association to present matters of general interest, aside from the mere routine work of our Section, and to give it somewhat the nature of a medium of suggestion as well as a medium of the news pertaining to the progress of our work.

After a bit of experimenting, our financial system is now in smooth working order, with a duplicate scheme of vouchers not heretofore in vogue, which makes it possible to retain a duplicate in the Section office and to file proper receipt with the parent organization.

The clipping service has been eminently satisfactory, and will in time place in our files a vast amount of interesting savings bank matter of no little importance in future years. This should be kept up and improved as the work progresses.

FUTURE PLANS.

Five things should engage our attention in the years to come, and they are broad enough in their scope and important enough in their effect to merit our consideration:

First, the extension of the school savings bank system, as already alluded to by President Robinson. I regret that the Women's Christian Temperance Union has become the beneficiary of Mr. Thirly's vast collection of school savings bank information; but this will not prevent the Section lending the weight of its endorsement to this work. How important is this work will be seen from the fact that the Massachusetts Banking Department is endeavoring to institute this idea in every school district in the State, and at their request, our treatise was placed in the hands of the chairman of every board of education throughout that commonwealth. A committee consisting of men interested in this particular work should be appointed, whose duty it shall be to stimulate interest in this work and systematically compile data regarding its extension.

Second, the proper celebration of the savings bank centennial in 1916, for which due provision should be made, by inviting the participation of the mutual savings banks of the country, both in furnishing historical matter and in the necessary expenses attending such a gathering. I would suggest that the various State bank organizations be asked at no distant date to co-operate in this movement and that an earnest effort be made to gather all the historical data as soon as possible so that the early history of savings banking shall be available for such a purpose. A committee "centimentally inclined" to such a work should also be created in the near future.

Third, the Book of Printed Forms, of which there are less than fifty copies remaining, should be brought down to date, considerably enlarged and a new edition printed. Forms sufficient for such purpose are in the office properly filed, and work on this should be begun at once.

Fourth, I would suggest that a model set of by-laws covering every feature of savings bank management be drawn up and distributed among the banks. This is an important part of savings bank management and should engage the careful thought of all savings bank officials who are interested in making the terms of their contract complete and comprehensive, and it should be the function of the Section to furnish a guide in such matters.

Lastly, believing that the work of the Section should be largely educational, a set of stock pamphlets should be prepared and offered

to the banks for educational advertising purposes at cost. The first of these has already gone out, viz., the school savings bank pamphlet; the second should be Mr. Knox's paper on "The Ethics of the Savings Bank," followed by a treatise on the proper audit of a savings bank covering somewhat the same ground as Mr. Chapin's paper to be read today; another on the value of the savings bank to the community; another on the bank and its depositors and the good it can do for them individually, etc., and with these scattered broadcast by our members good results cannot fail to follow.

I shall be glad to co-operate in carrying out any or all of these ideas and my aim shall ever be to be helpful and earnest in the work of the Section, fully believing that it is a unique field worthy of careful cultivation, and with such cultivation will produce results eminently satisfactory to all concerned.

I desire to express my deep sense of gratitude to President Robinson for his unfailing kindness and courtesy, both as an official of the Section and as a friend; to the members of the Executive Committee with whom my intercourse has not been so close, but has been all that could be desired; for the honor you have conferred upon me, and the opportunities opened to me, and I sincerely hope it may be but the beginning of a long and useful work together in endeavoring to fulfill the fundamental purpose of the savings bank, aptly described a century ago, and as true now as then—to promote habits of thrift and industry among the masses.

Report of Law Committee, by Lucius Teter, Chairman.

Owing to the fact that the old Law Committee of the Savings Bank Section cleared up all of the matters that were on hand, and the further fact that no new matters have been referred to us this year, our report is exceedingly brief.

There is but one item of interest that we can mention and that grows out of the fact that the chairman of your committee is a member of the Law Committee of the American Bankers' Association.

You will be interested in knowing that the splendid work done by last year's Savings Section Law Committee in connection with the study of segregation of savings deposits has been actively continued by the Law Committee of the Association this year. The details of that Committee's actions will be reported by the Chairman of the Association's Law Committee, but as you are particularly interested in this point I might say that not only has the Committee corresponded with bankers throughout the country and made a study of various segregation laws, but has had several meetings where that question was carefully discussed by the members of the Committee.

Furthermore, the Committee held hearings in Detroit and Cleveland, at which times bankers from the States of Michigan and Ohio appeared before the Committee and important discussions were developed in reference to this subject.

The Association's Committee has been active in securing the passage of various laws of interest to bankers generally, reports of which are made by General Counsel Paten.

Three of these Acts have peculiar interest to savings bankers:

- (1) An act to punish derogatory statements affecting banks.
- (2) An act relating to payment of deposits in two names.
- (3) An act relating to payment of deposits in trust.

Respectfully submitted,

SAVINGS BANK SECTION LAW COMMITTEE.

J. F. SARTORI,

F. B. STEVENS,

LUCIUS TETER, Chairman.

Detailed Report of Proceedings.

Tenth Annual Meeting SAVINGS BANK SECTION, Held at New Orleans, Nov. 23, 1911.

New Orleans, La., November 23, 1911.

President Robinson: Gentlemen, the hour has arrived which has been set apart for the opening of the Tenth Annual Meeting of the Savings Bank Section. I am sorry to call the meeting to order when so few are here, but the exigencies of the case demand that we start at once.

It is the custom of our meeting, honored by long usage, to open our proceedings with a few words of thanksgiving and prayer for divine guidance. We are engaged in a serious work today, gentlemen, and I think that if at the start we put ourselves in right relations with the giver of every good and perfect gift we will do our work very much better.

I now take pleasure in introducing to you a fellow-townsmen, who will lead us in invocation, the Rev. Robert S. Coupland, D.D., Rector of Trinity Church, New Orleans.

Prayer by REV. ROBERT S. COUPLAND, D.D.

Almighty and Everlasting God Who doth command the man of burden—Grant, we beseech Thee, that Thy blessing may rest upon us, Thy sons, whom Thou hast set in the business requirements of life that they may minister for the public good and the public welfare of this whole nation. Give them such strong convictions concerning personal integrity and personal influence, and such boldness in doing right, that their methods and their examples may never be questioned. So direct them that they may in all their dealings, exemplify the consistency of the Christian religion and always give the first place to Thy law and Thy commandments and by their exalted lives may Thy church be honored and many souls turned to righteousness; through Jesus Christ, our Lord.

Almighty God, in whom we live and move and have our being—We, Thy creatures, render our humble praise for Thy preservation of us from the beginning of our lives to this day, and especially for having delivered us from any dangers of the past night. To Thy watchful providence we owe it that no disaster has come to us, but that we are brought in safety to the beginning of another day. For these, Thy mercies, we glorify Thy name, humbly requesting Thee to accept this, in the name of Thy Son, our Savior, Jesus Christ. Amen.

O! Lord, bless us and keep us; the Lord make His face to shine upon us and be gracious to us; the Lord lift up His countenance upon us and give us peace, both now and ever more. Amen.

President Robinson: Gentlemen, the City of New Orleans, through Mr. G. Ad. Blaffer, the Vice-President of the Commercial-Germania Trust & Savings Bank of New Orleans, is now ready to give us a few words of welcome. I take pleasure in presenting Mr. Blaffer. (Applause.)

Address of Welcome by G. Ad. Blaffer, Vice-President of the Commercial-Germania Trust & Savings Bank of New Orleans.

Mr. President, Ladies and Gentlemen:—I regard it a special privilege to speak a word of welcome on behalf of the bankers and citizens of New Orleans to the gentlemen composing the Savings Bank Section of the American Bankers' Association, now in convention assembled.

It was in the year 1902 that this Section of the Association was organized at the Convention held that year in this city, and I had the honor of acting as secretary at the initial meeting, whereby it might be said that I recorded the birth of this Section, and I assure you that I have since followed its growth and development with a keen interest.

All banking relations are predicated essentially upon a confidence in the integrity and ability of the banker, and thus the trust is one which demands a strict and honorable fulfillment by him. But the savings bank has reposed in it a special confidence, which carries with it added responsibility and corresponding gratification.

It is this department of the banking institution which comes into more immediate touch with that which is most vital to every man, his home and his family, and it is this department which also stands in close relation with many individuals with whom the other banking interests rarely come into contact, and promotes in them the principles of thrift which go to make success and good citizenship.

I deem it a great pleasure to welcome to our city this body of men engaged in such a splendid work.

May I be permitted to say that we, not only the bankers, but the people of New Orleans, are proud of our city, and also of the reputation which it enjoys, of always, at every opportunity, welcoming the stranger and greeting him with the warm hand of true and cordial hospitality.

You will find, I trust, many things to please and interest you. We are cosmopolitan; our streets reflect the colors of many nations, and many tongues commingle to attest our international measure. Our history and our geography are unique and interesting; the glories of Bunker Hill are reflected in Andrew Jackson's victory at Chalmette.

Our commercial conditions are such that while we are content with our present, we have set ourselves with a more abounding hope to achieve the promises of the future. Our progress in the past has been of such a character that it encourages us with this larger hope. Our substantially satisfactory and encouraging condition is not the result of causes which make but a momentary or passing success, but has come from sound and healthy causes, of a character which spells permanency, and therefore, seems to justify our hopes and confidence in a still more prosperous future.

Our resources have become obvious to our brethren of other communities, and they are uniting with us in the development of them. Our geographical location, at all times admittedly favorable, has in a sense now become strategic. We are the veritable front door to the great Pan-American continent, opening lines of communication for commerce and friendly intercourse with all the centers of activity in the known world.

New Orleans has long been recognized as the first port of entry to the Southland, but this fact is now imbued with a new significance and enlarged possibilities.

It might not be graceful in us to lay claim to a warmth of hospitality for our citizens in excess of that possessed by other people in other places, but if, as I have ventured to intimate, that is the reputation of our city, we will try to prove our right to it, and even to add thereto, and I assure you, gentlemen of this Convention, that there is no reservation in this declaration of the warmth of the welcome we extend, and I beg you to take it not as a mere formality, but with the fixed determination on our part "to make good."

We greet you as fellow-workers in a splendid work; but more than that, we greet you as friends, in the desire that you shall feel during this Convention that you are not with us merely, but of us, and we trust that from this meeting shall go not only recollections of pleasant, congenial relations and associations, but an inspiration that shall have as its fruition the growth of individual effort and the expansion of the usefulness of the savings banks of the United States.

We bid you a most hearty welcome.

Response to Address of Welcome by President Robinson.

Mr. Blaffer, these cordial words of greeting fall upon appreciative and responsive hearts. We are not strangers to Southern hospitality and all unite in saying, I am sure, that New Orleans has lived up to the highest traditions. Though we are all unknown to you, sir, friends of but a few days—and some of but a few hours—your sincere ring strikes us as music and we feel that the ties of brotherhood have brought us together, not for selfish enjoyment, but for the purpose of performing useful service to our age and our generation.

For nearly a week now we have enjoyed the graciousness of your fellowship, and your charm of manner has stolen our hearts. We have enjoyed the sights of your French quarter—after a while, I suppose, you will have to change it to Little Italy, for it has changed its complexion—repeatedly we have ridden in your conveyances, to your palaces of industry; we have been entertained by your beautiful women and gallant, courteous gentlemen. All have impressed us, and yet, if I were to be asked, what of all things impressed me most, I should say that your genius for entertaining the strangers within your gates has impressed me more profoundly.

I hope these words of mine will not be looked upon as any formal discussion. It is said that when the heart is full a single word is enough. I am sure you can see, Mr. Blaffer, that our hearts are overflowing, and that, overflowing with appreciation for many kindnesses, we accept your kindly hospitality. (Applause.)

Annual Address of Edward L. Robinson, President.

Gentlemen of the Savings Bank Section:—

The issue which today overshadows everything else affecting our interests is Currency Reform. Purely technical matters growing out of our special line of work can be subordinated for the moment to the necessity of helping along legislation which will transform our present archaic monetary system into a simple yet comprehensive

plan suitable for the growing needs of our great country. To this end we have been asked to make the sacrifice of yielding up the sole use of an entire Convention day and to share this Thursday of Convention week with the other Sections in order that the parent body might devote an additional day to the study of this important subject.

I took the responsibility of committing our Section to a loyal acquiescence in the request made of us by the Executive Officers and I am sure that you will endorse my action, for I believe that until this grave problem is solved correctly no permanent or healthy advance can be made in general trade and we cannot prosper unless our people prosper. We lack confidence in the present methods of issuing currency and we should all work together for the purpose of creating a sentiment which will compel our law makers to put aside political expediency in order that patriotism may do her perfect work.

Many of our members are deeply interested in the work of sister Sections which are meeting today, and matters of paramount interest to some may compel their attendance elsewhere; should this result in a division of our forces we will cheerfully make the necessary contribution of our strength in order to promote the welfare of our common cause.

I shall now outline briefly the more important happenings of the past year in the prosecution of our work:—

It was known to some of us that the shadow of a grave sorrow was impending at our last meeting in Los Angeles; the sweet tempered, accomplished and versatile Secretary of our Section, and the author of its being, a brother to Savings Bank men everywhere, and to many of us a warm and tender personal friend—William Hanhart—was even then fighting an uneven battle with a mortal malady; he completed his labors in connection with our Annual Meeting, returned to his home in New York and afterwards visited your President to map out the programme of the current year; he held a firm grip upon your affairs until about the 1st of last December, when physical weakness compelled him to lay aside his labors; a few days thereafter our cause was bereft of its staunchest champion, its wisest counselor and its most devoted friend.

The Executive Committee at its meeting in Nashville last May appointed a Committee to prepare Resolutions upon his death; these Resolutions will be submitted to you later on in our proceedings.

The selection of his successor received the earnest attention of your Executive Officers and on March 1st, by their appointment, Mr. William H. Kniffin, Jr., assumed charge of our office; we believe we have found in him a worthy successor, one who is not trying to fill the place vacated by his lamented predecessor, but is faithfully "walking a highway of his own"; let us give him our unstinted sympathy and support.

The personnel of our standing Committees has been largely altered; it is hoped that this policy will tend to widen the area of our usefulness by interesting a larger number of our members; to the experience of those who have long been in our work we have tried to join the fresh and enthusiastic interest of the younger element of our membership and we confidently look for good results from the labors of our several Committees.

The title of the Auditing Committee has been changed to "Committee on Savings Bank Methods & Systems," a more correct designation of its functions; this change was made by your Executive Committee at its meeting in Nashville, but I assume that your approval of this action is necessary. In connection with the work of this Committee it may not be out of place here for me to give emphasis to the earnest plea which this Committee has always made for systematic methods of accounting and for all other safeguards which will win for our banks the unquestioning faith of the people.

It is gratifying to report that by recent action of the Executive Council a close and useful bond of fellowship between our Section and the parent body has been effected, whereby the Chairman of our Law Committee, becomes ex-officio a member of the Standing Law Committee of the American Bankers' Association; this connection will always assure us of sympathetic consideration when our special legal needs demand the co-operation of our brethren engaged in other branches of banking; we also believe that possible friction created by the overlapping of interests will be minimized; as an example: our views of the Segregation of Savings deposits are now apt to be studied more carefully, and as our attitude upon this important subject becomes better understood it will be seen that we are not seeking to destroy but to build; on the other hand, our representatives will perhaps learn at first hand some of the difficulties in the way of immediate action; we will all become better neighbors, each of us learning the difficult lessons of patience and forbearance.

Our Membership Committee has a task which justly should be borne by many rather than by a few; its special aim has been to interest the larger Mutual Savings Banks; we cannot hold out to them the promise of any special benefits, but we base our plea upon the higher ground of the duty which the strong owe to the weak; our programme today is enriched by the wise counsels of an officer of one of the largest and strongest of that important class; we hope that the ripe fruits of his experience may be shared in a generous degree by us all; if our Section enjoyed the support of the larger Mutual Savings Banks of New York and New England our prestige and influence for good would be immeasurably increased; these banks would in turn acquire from touching elbows with their brethren in remoter sections, warmer hearts, wider horizons and broader view-

points; with their aid we can constantly improve the quality of the service we are trying to render to the Savings Bank cause.

Let me also refer briefly to three other matters which received the favorable attention of your Executive Committee in Nashville; the first is the subject of School Savings Banks; this work was begun many years ago by Mr. J. H. Thiry of Long Island City; he had labored long, earnestly and successfully. A Committee representing this Section was appointed to confer with Mr. Thiry relative to the perpetuation of his unselfish work; unfortunately before the Committee could arrange a conference Mr. Thiry died; he had, however, often expressed the desire that the Savings Bank Section should succeed to his labors and many of our members feel that we should organize and maintain an agency to propagate this educational force. I am happy to report that our office is already equipped with literature and other helps for the formation of these little Savings Auxiliaries and I trust that we will today commit ourselves to an energetic support of the System as a whole; to that end I recommend that the subject of School Savings Banks be placed under the care of a special Committee or entrusted to one of our present standing Committees.

The second matter is the celebration of the Savings Bank Centennial in 1916; while this is a long time off, I do not believe it is too early to give the subject earnest thought at this time, as it is of unusual historical importance; if we devote the intervening time to a study of conditions which gave birth to the Savings Bank idea we will be apt to give more of our energies to the work of enlightening the masses of our people upon the benefits accruing from a sane, temperate and prudent use of their earnings; we owe an important duty to our fellow men; one, two or ten talents have been entrusted to our keeping and this capital should earn interest; it is said of the founder of Savings Banks, Dr. Duncan of Ruthwell, that his great endeavor had been to help the people help themselves, not merely to "relieve poverty but to cure pauperism," for as another has said, "if you confine yourself to the relief of poverty you do little; dry up if possible the springs of poverty, for every attempt to stem the running stream has signally failed." By concerted action we can do much of an educational nature towards solving our social problems; I trust that the advent of this Centennial may witness heroic uplifting efforts to mitigate the distresses of poverty through implanting broadcast the seeds of self-denial, industry and thrift.

The third and last matter has already been adverted to; I refer to the so-called Aldrich plan of currency and banking reform; one Section is as deeply interested in the discussion of this matter as any other branch of our Association; it is hoped that our members will do their full share in holding up the hands of those who must bear the brunt of this conflict; efforts are being made to include Savings Banks in the active membership of the proposed local reserve associations, but whether we participate in the benefits directly or indirectly we will all profit through the inauguration of a sound financial policy.

In conclusion may I express the hope that this day's work may inspire us with increasing enthusiasm in our chosen field of endeavor, may assist us in solving some of the problems which confront us in our daily tasks—may give us a correct viewpoint as to our responsibilities as public men—may enlighten our understanding through a new vision of privilege and opportunity.

President Robinson: Gentlemen, the report of the Executive Committee by Mr. Stephenson, is now in order.

R. C. Stephenson: Mr. President and Gentlemen: I have prepared a detailed report of the proceedings of the Executive Committee, but I know that it is desirable that the programme be completed in this Section by 12:30 at least today, and therefore I will not take the time to read this report, but it will be printed in the proceedings of the convention and you will afterwards have an opportunity to read it.

There is one matter, however, in the report that may be of some interest to those who represent Mutual Savings Banks, and this is that a number of the Mutual Savings Banks made application to the government to be made postal depositories; and there was some doubt in the minds of those in charge of the Postal Savings system as to whether Mutual Banks were eligible to become depositories, but through Mr. Kniffin, Mr. Paton, the General Counsel, did prepare a brief upon the subject and this was very carefully prepared and it showed by a splendid argument that within the last ten days those in authority had decided that the Mutual Banks are entitled to become depositories to the amount of one-half of their surplus; and with those remarks I will put in my report and we can go on with our programme. (Applause.)

Report of the Executive Committee.

[The report of the Executive Committee appears on page 233.]

President Robinson: Gentlemen, the report of our Secretary is merely a formal paper, and if there is no objection I will proceed with the rest of the programme simply having this spread upon our records. If there is no objection it is so ordered.

Report of the Secretary.

[For Secretary's report see page 236.]

Now, the next item of business is the report of the Law Committee, Mr. Lucius Teter, of Chicago.

Report of the Law Committee, by Lucius Teter.

[We print the report of the Law Committee on page 237.]

President Robinson: The item on our programme is the report of the Membership Committee by Governor Herrick. Governor, I don't know whether you have any report, but will you say something to us? (Applause.)

Myron T. Herrick: I think, Mr. President, I ought to be discharged for neglect of duty. I am situated somewhat as the boy said his father was when the new teacher came to town. He came across the small boy and said to him, "Is your father a Presbyterian?" And the boy said, "Yes, dad is a Presbyterian all right, but he ain't working at it very much just now."

I didn't appreciate that I was a member of the committee and therefore haven't any report to make. I would like to take an opportunity to say this, in relation to our interests in the so-called Aldrich plan: I happened to be a member of the Currency Commission, and at my suggestion, after a good deal of discussion of the subject, the Mutual Banks were admitted. You saw the plan before this last revision. Evidently the Monetary Commission, after considering the question, left out the Mutual Banks. I am rather inclined to think that it would be very difficult for the Mutual Banks ever to avail themselves of the privileges of this committee, and it didn't occur to me in having them admitted they would probably have to be—I thought possibly it might strengthen the sentiment toward the bill if there was a mention made of the place in case they should desire to avail themselves of it. I have this feeling about that: You can build a railroad from Chicago to New York—supposing there were none there and you thought it advisable to build the railroad—to connect those two cities; and certain people directly interested would join together to build that railroad, and we, as other persons, did not live there, we might not care to undertake the burden of building that railroad—the earlier ones not having been successful—but we would know that we would be interested quite as much as those who were carrying the burden and doing the work should the work be accomplished; and I feel very strongly that this Reserve Association plan should be adopted, that all we would want to be a member for would be accomplished, because it is a success. And if it should be a success and is of value, of course, these recurring periods of panic that have obtained in the last years would be done; we would have no more of them. If it did not accomplish that and was not successful, then we would not care about it. However, I am of the opinion it would have been better to have left it as it was, but I really think it does not make any difference. It is in the nature of our business to be interested in the matter of transfer of credits and circulation. We get currency enough. That seems to be the trouble with these currency famines. There is no difficulty whatever, it appears to me, it is like it was in 1907 and 1893, when there were great demands on us. We couldn't get the currency, that was the difficulty; but through some foolish rumor someone started a run upon the bank in which I am interested and we found several thousand people around the place, but it did not disturb us at all, because some of the banks were ready to give us all the help we wanted.

It seems that our savings banks would bear that same position to the whole situation. Knowing that there cannot be a currency famine in the country, that trouble being averted, why, there is really no need for us to be connected with that association. That would be my individual opinion after studying the question for some particular time, of mutual banks to the Reserve Association.

Pardon me for taking the time to say this, but I think that is the situation; and so far as the membership of the committee is concerned, I hope the other members will be able to make an intelligent report. I have none. (Applause.)

President Robinson: The next item upon our programme is the report of the Committee on Methods and Systems. This report, gentlemen, you will find in pamphlet form in your seats, and by common consent we will omit it.

Report of Committee on Methods and Systems.

[Report of the Committee on Methods and Systems will be found on page 233.]

Lyman S. Catlin: I was going to make a motion that the report be received and placed on file, and I do make that motion.

President Robinson: Gentlemen, you have heard the motion that the report of the committee be received and placed on our records. All in favor of the motion will say aye; opposed, no. Motion carried.

President Robinson: At this time, gentlemen, it is necessary to appoint a Nominating Committee. As you perhaps well know, we are not able to have an afternoon session. As a general thing, our Nominating Committee reports after recess at the afternoon session, but it becomes necessary at this time to appoint that Nominating Committee and ask them to retire and deliberate, and at the end of our meeting, after the addresses have all been delivered, we will ask for the report of that committee.

I ask the following gentlemen to please serve as a Nominating Committee:

Mr. W. F. McLane, Cashier, Hennepin County Savings Bank, Minneapolis, Minn.;

Mr. George E. Edwards, President, Dollar Savings Bank, of New York, and

Mr. Lyman S. Catlin, Bridgeport, Conn.

RESOLUTIONS UPON THE DEATH OF MR. HANHART.

At this time, gentlemen, we will take up the report of the Special Committee that was named at our meeting at Nashville to prepare suitable resolutions upon the death of our distinguished late Secretary, Mr. William Hanhart. Mr. Teter is the Chairman of that committee, and we will be glad to hear from him at this time.

Lucius Teter: Mr. President and Gentlemen: In recognition of a long and efficient service, and in appreciation of a warm personal friendship, we, the officers and members of the Savings Bank Section, American Bankers' Association, desire to express our deep sense of loss in the death of our late Secretary and esteemed friend, William Hanhart.

Mr. Hanhart was in a large measure responsible for the organization of the Savings Bank Section at the American Bankers' Association Convention held in New Orleans in 1902, and became the Section's first Secretary, which office he held continuously until his death. Mr. Hanhart brought to the worth a well trained mind, a long experience in the savings bank field, a singular capacity for constructive work, and gave himself with enthusiasm and devotion to the upbuilding of the Section with never a thought of compensation adequate for his labor.

His ideals of the savings bank as a thrift agency were of the highest order and he stood for all that is worthy in the conduct of such an institution. He was an executive of ability, a forceful writer and a statistician of rare achievements.

As a friend and fellow worker, Mr. Hanhart was kind and considerate, given to doing little things for others that endeared him to all with whom he came into contact, and in his death we feel that we have not only lost an able officer, but a sincere friend, and hereby extend to his wife and family our deep sympathy in a loss we have mutually sustained.

E. L. ROBINSON,
J. H. JOHNSON,
LUCIUS TETER,
Committee.

Lucius Teter: Mr. President, I move you, sir, that we adopt this resolution by a rising vote.

Motion seconded.

A rising vote was taken and the resolution was unanimously adopted.

TITLE OF AUDITING COMMITTEE CHANGED.

President Robinson: The motion, gentlemen, to change the name of our old Committee on Auditing to the Committee on Methods and Systems is now in order.

G. Ad. Blaffer: Mr. President, I move that the title of the Auditing Committee be changed to read the Committee on Methods and Systems.

(The motion was seconded and carried.)

President Robinson: With reference to the recommendations contained in the President's Address, concerning the Savings Bank Centennial and School Savings Banks, if it is your pleasure to make a motion, I will be ready to hear it.

R. C. Stephenson: Mr. President, I move you that the matter of the Savings Bank Centennial in 1916 be referred to the committee on Savings Banks Methods and Systems.

(The motion was seconded and carried.)

President Robinson: That disposes, gentlemen, for the most part, of the business that occurs to my mind. Later on we will have an opportunity to take up any business that may come before us.

It gives me pleasure, gentlemen, to introduce to you as the first speaker of the day, a gentleman connected with one of the largest, if not the largest, Mutual Savings Banks in the United States. For a few years it maintained the prestige of being the largest Mutual Savings Bank, but it seems within the last few years that one of the other banks has forged ahead with reference to the matter of deposits, but not with reference to its assets.

I take pleasure in introducing to you Mr. William E. Knox, the Comptroller of the Bowery Savings Bank, of New York, who will speak to us on "The Ethics of the Savings Bank." (Applause.)

The Ethics of the Savings Bank, by William E. Knox.**Comptroller of the Bowery Savings Bank, New York.**

[Mr. Knox's address may be found on page 219.]

President Robinson: Mr. Knox, you have held up to us very high ideals, sir. We thank you for them and we trust that your ideals may be a prophecy of what we may all become.

President Robinson: Our next address is upon "Departmental Banking Laws—Regulation and Segregation," by Mr.

J. F. Sartori, President of the Security Savings Bank, of Los Angeles, California.

I take pleasure, gentlemen, in presenting Mr. Sartori, who will now read his paper. (Applause.)

**Departmental Banking Laws—Regulation and Segregation,
by J. F. Sartori, President of the Security
Savings Bank, Los Angeles.**

Mr. President and Gentlemen: I feel like apologizing for expressing an opinion on the subject of one of the phases of the proposed new monetary reserve plan, which is supposed to give National banks a right to do a savings business in departments, and to give them the right to make loans on real estate.

Now, this is a matter of great importance to all the savings banks of the country, both mutual and capital stock. I think it is a matter of great importance for this Savings Section to consider. The question is whether this business is to be used in the ordinary way, or whether it is to be done in departments regulated with assets segregated. In this view of the case, I think the paper I am about to read is germane to the subject.

[The address of Mr. Sartori appears in full on page 222.]

(Applause.)

President Robinson: Thank you, Mr. Sartori, for the able presentation of the matter.

Our next item is an address on "The Public and the Savings Bank Idea," by Mr. E. St. Elmo Lewis. We will be pleased to hear Mr. Lewis now.

**The Public and the Savings Bank Idea, by E. St. Elmo
Lewis.**

Mr. President and Gentlemen of the Savings Bank Section: I am going to preach the subject this morning from the standpoint of the other side of the counter. I am not a banker, although I have been brought a great deal in contact with bankers during the last ten or twelve years, particularly. It happens, too, that within the last twenty years I have handled the advertising and the publicity of asset for a good many banking institutions. I am going to talk this morning on several phases, as it affects the public, of the savings bank idea; and if I take a rather radical stand it is because these are new things. I will ask your indulgence while I read this, because I have been rather careful to dot my i's and cross my t's before an audience of this kind.

[The address of Mr. Lewis is given on page 224.]

President Robinson: Thank you very much, Mr. Lewis, for that splendid paper, sir.

Gentlemen, we have with us, I happen to notice, the President of the American Bankers' Association, Mr. Watts, and if he will be good enough to come forward at this time and say a few words to us we would feel under obligations to him.

Gentlemen, it is hardly necessary to say to you that the Savings Bank Section has never had any better friend than Mr. Watts.

Remarks of Mr. Watts.

F. O. Watts: Mr. President and Gentlemen of the Savings Bank Section of the American Bankers' Association: In becoming a guest of this Section this morning, I did not contemplate that I would be called upon to make any speech. I merely purpose, as an official of the American Bankers' Association and by my presence here indicate to you that you had my very best wishes. It has been my pleasure this morning, earlier, of calling on another Section of the Association and expressing to them a similar sentiment. I said to them that if a casual visitor to this Association, who was a constant attendant upon the various meetings of the main Association and the sections, were to come in here, he might be justified in giving the same expression that a slumbering husband did after awakening, to his wife—when he said, "My dear, are you talking again or yet?"

I think, under the circumstances, Mr. President, I may be excused from doing much talking. I feel like saying, however, that in my duties as President of the American Bankers' Association I may at times have done things and said things and suggested things that did not meet with the approval of the Savings Bank Section, or of every member of some other Section, or every individual member of the American Bankers' Association. In other words, gentlemen, I do not feel that my action has been above criticism and just criticism, but I do feel, Mr. President, that you and the members of this Section, and I hope of the Association at large, will give me credit for having only the purpose to do those things for the best interests of the Association; and I give you, gentlemen, credit in all your doings, credit for being guided by the same purposes. As an individual, I fear that it is too often the case that we conclude without understanding and trust that if both in the future forget and cease to be an official of the American Bankers' Association, that we may be all hereafter sure that we understand before we jump at any conclusions.

I have made some suggestions during my term of office which were apparent of observation and experience, some suggestions that I did not contemplate would have that fruition at this time or a year or possibly two years. They, in the final analysis, gentlemen, had to do with the duplication and the work of the bankers of America, including under that term every member of the American Bankers' Association. I do not desire to have it concluded that apparent duplication is always a duplication, but on the contrary, as I called attention a few moments ago, in the Trust Company Section, Nature often has an apparent duplication which we know is not such, in the eye, the nostril and the limbs. We know very well how essential each eye and each limb is to the perfect performance of our duty, and so, I would desire only to call your attention to a possible trend of things in the continued organization of Sections, and even in carrying on the work of the present Section, and let all those interested in the American Bankers' Association and all those interested in other Sections of the Association have their best men to consider all these subjects to the end that the time may come, after a perfect understanding, that the organization known as the American Bankers' Association, composed of the eyes and the limbs, representing various Sections, has the most perfect organization in existence; and its actual duplication in work, or in expenditure of its funds, is by a wise consideration, after a thorough investigation and understanding, reduced to a minimum.

Gentlemen, I did not contemplate occupying so much of your time, and I thank you and wish for you a most prosperous meeting. I hope that your Section may continue to go on and in the future years the growth in the savings bank business of this country may be equal to that of the country itself. I thank you. (Applause.)

President Robinson: The next item upon our programme is an address by the Hon. A. B. Chapin, the Bank Commissioner of Massachusetts, upon "Efficiency of Supervision."

I take pleasure now in introducing Mr. Chapin, who will address us on this subject.

**Efficiency of Supervision, by Hon. A. B. Chapin, Bank
Commissioner, of Boston, Mass.**

[Mr. Chapin's address is printed on page 228.]

President Robinson: Gentlemen, we are under many obligations to Mr. Chapin for this splendid paper, and in addition to that Mr. Chapin has consented, in the event of our having sufficient time, to conduct a symposium on "The Internal Audit of a Savings Bank." I am very much afraid that if we should attempt this we would not have an audience sufficient to justify Mr. Chapin to undertake this work, so under the circumstances we deem it best to omit that from our proceedings.

THANKS TO NEW ORLEANS.

H. P. Beckwith, Fargo, N. D.: Mr. Chairman, at this time I should like to offer a resolution, realizing that this is our last meeting, as follows:

Whereas, We, as members of the Savings Bank Section of the American Bankers' Association, having participated in and partaken of the generous, whole-souled, true Southern hospitality tendered us by the bankers of New Orleans and the New Orleans Clearing House during our present stay in their city;

Therefore, be it Resolved, That a rising vote of thanks from this body here assembled be tendered the New Orleans Clearing House, the New Orleans bankers, and the different affiliated committees for the elaborate entertainment given us and for their untiring efforts in our behalf to make our short stay in their city interesting, pleasant and profitable.

R. C. Stephenson: I move to amend the resolution as offered by also including the gentlemen who have contributed to this excellent programme and to tender to them our appreciation in a vote of thanks.

The amendment was accepted and the motion was seconded and carried unanimously.

NOMINATIONS AND ELECTIONS.

President Robinson: We will now receive the report of the Nominating Committee, Mr. McLane.

W. F. McLane: Mr. President, your Committee on Nominations are pleased to submit the following report:

REPORT OF COMMITTEE ON NOMINATIONS.

For President: Alfred L. Aiken, President of the Worcester County Institution for Savings, of Worcester, Mass.

For First Vice-President: R. C. Stephenson, Vice-President of St. Joseph County Savings Bank, South Bend, Ind.

Three members of the Executive Committee, to serve three years: G. Ad. Blaffer, Vice-President Commercial-Germania Trust & Savings Bank, of New Orleans, La.; William E. Knox, Comptroller of Bowery Savings Bank, of New York; N. W. Hawley, Treasurer of Farmers' & Mechanics' Savings Bank, Minneapolis, Minn.

Regarding the nominations for Vice-Presidents for the several States, no opportunity has been afforded the members to make recom-

mendations to this Committee. We therefore suggest that the members make such recommendations to the Secretary of the Association and submit same to the Executive Committee for approval.

W. F. McLANE,
GEORGE E. EDWARDS,
LYMAN S. CATLIN,

Committee.

In this connection, I might say that a few suggestions for Vice-Presidents have been handed to the committee since the report was written, and they will be turned over to the Secretary of the Association.

President Robinson: Gentlemen, you have heard the report of your Nominating Committee; what is your pleasure.

(It was moved and seconded that the nominations be closed. Carried.)

It was moved and seconded that the Secretary cast the ballot of this Section for Mr. Aiken for President of the Savings Bank Section of the American Bankers' Association. Carried.

President Robinson: Gentlemen, just before my departure from home I received a letter from Mr. Aiken. Prior to that I had a short conference with Mr. Aiken in New York, in which he stated it would be absolutely impossible for him to attend this convention on account of the illness of his wife, and he asked me to express his regret to this Section.

The next order of business is the election of Vice-Presidents.

It was moved and seconded that the Secretary cast the ballot of the section for Mr. Stephenson, of South Bend, Indiana, for Vice-President. Carried.

President Robinson: Mr. Stephenson, it gives me a great deal of pleasure, I assure you, not only as an officer of this Association, but as your friend, to invest you with the insignia of this office. I am very sure a man of your high ideals will adorn any office to which your friends may elevate you. I congratulate you and the organization, and I bespeak from the organization their co-operation and support.

Vice-President Elect Stephenson: Mr. President, and Gentlemen of the Section, I certainly am not insensible to the honor which has been conferred upon me by selecting me as Vice-President of this Section, and I certainly will do all I can to advance the interests and perform the duties of this office in a way that will reflect credit upon it if possible to do so. In my efforts to be as brief as possible, all I will say at this time is, thank you.

In the absence of Mr. Aiken, I would suggest that Mr. Robinson continue to act as Chairman until the meeting adjourns.

President Robinson: Gentlemen, the next is the election of three members of the Executive Committee.

Mr. Miller: I move that the President cast the ballot of this Section for Mr. Knox, Mr. Hawley and Mr. Blaffer for members of the Executive Committee of the Savings Bank Section of the American Bankers' Association.

(Motion seconded and carried.)

President Robinson: It gives me great pleasure to announce that Mr. Blaffer, Mr. Knox and Mr. Hawley are duly elected as members of the Executive Committee of this Section of the American Bankers' Association for the term of three years.

I am well acquainted with these gentlemen, and I congratulate you all upon their election to this important office.

Now, gentlemen, there is another office, with reference to filling vacancies.

It was moved and seconded that these committees be appointed later on.

Motion carried.

President Robinson: Gentlemen, this ends the business of our meeting, and I cannot refrain at the very end from expressing just a few personal words to you, who have so credibly and generously supported me in my work. I think I can say without fear of contradiction, and my heart prompts me to say, that I have not done any work with a greater pleasure than I have the work that has fallen to my lot as President of this Section.

Gentlemen, a motion to adjourn is now in order.

Lucius Teter: Several of the gentlemen here have suggested that a motion be offered, which it gives me great pleasure to offer. Mr. Robinson has given us an unusually good year in this Section, and it gives me great pleasure in offering a resolution to Mr. Robinson for the various painstaking services he has given us the last year and to express the hope that in the future years he will stand in as close relation to the Section as he stands.

(The motion was put by the Vice-President Elect, after being duly seconded, and was carried unanimously.)

President Robinson: Gentlemen, I thank you for this motion.

Moved and seconded that we adjourn. Carried.

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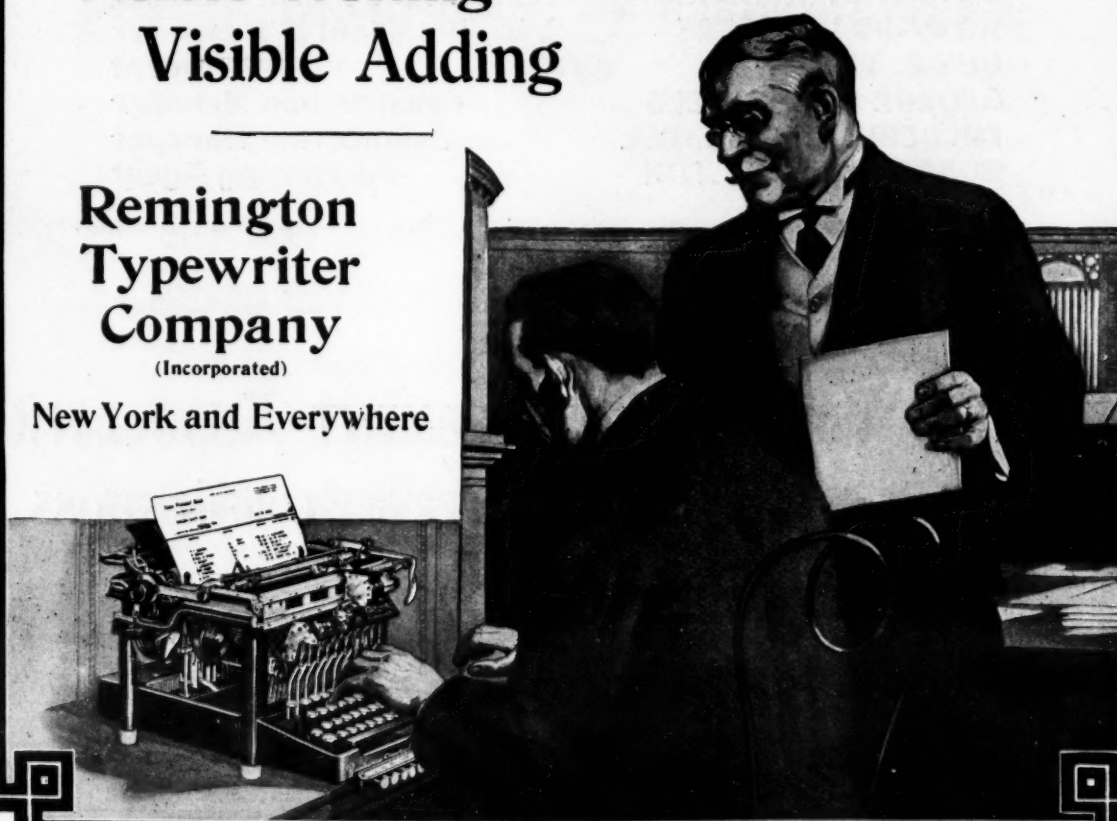
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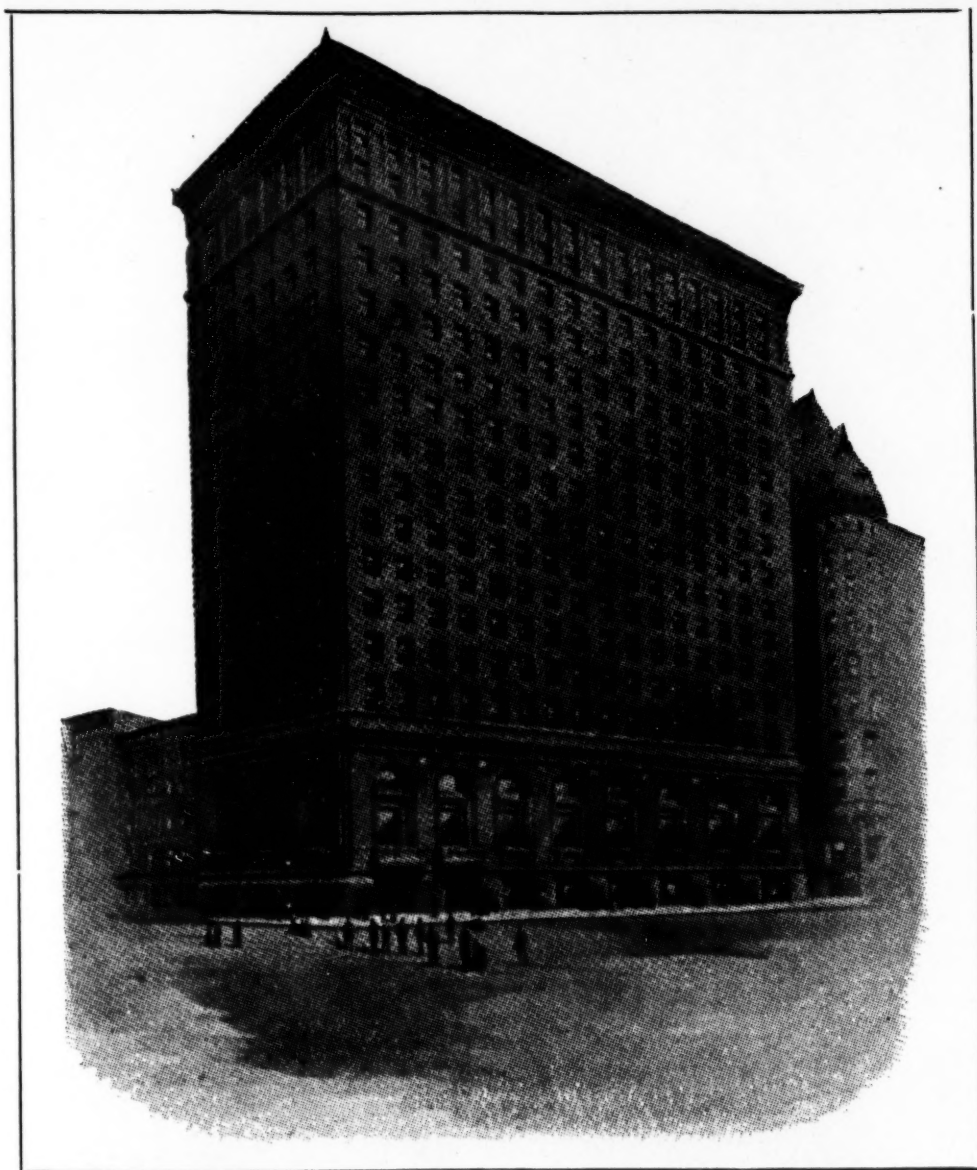
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